

Series A

LAKE SONOMA	
RESERVOIR-	
WATER STORAGE POOL	212,000 A.F.
FLOOD CONTROL POOL	130,000 A.F.
MINIMUM POOL	13,000 A.F.
SILT STORAGE	26,000 A.F.
TOTAL	381,000 A.F.
WARM SPRINGS DAM	
HEIGHT	319 FT.
LENGTH	3,000 FT.
TOP ELEVATION	519 FT.
SPILLWAY ELEVATION	495 FT.

OFFICIAL STATEMENT

Sonoma County Water Agency

SONOMA COUNTY, CALIFORNIA

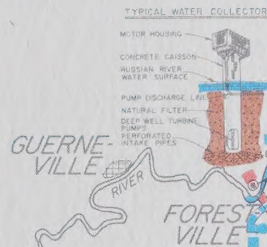
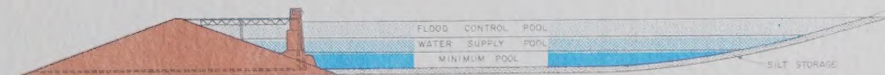
\$8,000,000

1971 Water Revenue Bonds

Series A

Bids will be received for the purchase of the bonds, and opened by a representative of the Sonoma County Water Agency at the office of Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California 94111 on Tuesday, March 11, 1975, at ten o'clock a.m.

TYPICAL MULTIPURPOSE RESERVOIR
OF THE
RUSSIAN RIVER PROJECT



WOHLER INTAKES
(Pumping Plant)

MIRABEL INTAKES

SANTA ROSA

SEBAS-
TOPOL

ROHNERT
PARK
COTATI

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FEB 1975

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OFFICIAL NOTICE OF SALE
\$8,000,000
SONOMA COUNTY WATER AGENCY
1971 WATER REVENUE BONDS
SERIES A

NOTICE IS HEREBY GIVEN that sealed proposals will be received on behalf of the Board of Directors (herein called the "Board") of the Sonoma County Water Agency (herein called the "Agency") at Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California, on

TUESDAY, MARCH 11, 1975

at 10:00 A.M. for the purchase of \$8,000,000 principal amount of bonds of the Agency designated the "Sonoma County Water Agency 1971 Water Revenue Bonds, Series A" (herein called the "bonds"), to be issued under an ordinance of the Board adopted December 28, 1970 and a first supplemental ordinance of the Board adopted December 16, 1974 (herein collectively called the "Ordinance") and pursuant to the Sonoma County Water Agency Act and the Revenue Bond Law of 1941 of the State of California. The bonds are more particularly described in the Ordinance (which is incorporated herein by reference) and copies thereof will be furnished to any interested bidder upon request. The bonds are generally described as follows:

ISSUE: \$8,000,000, consisting of 1,600 coupon bonds of the denomination of \$5,000 each (or fully registered bonds in denominations of \$5,000 or authorized multiples thereof), all dated February 1, 1975. The bonds are part of an issue of \$115,000,000 aggregate principal amount authorized by the Ordinance. Bonds of one or more additional series of said issue may be issued pursuant to the Ordinance, but only subject to the limitations and conditions set forth in the Ordinance.

INTEREST RATE: The maximum rate bid shall not exceed eight per cent (8%) per annum. Interest is payable on February 1, 1976 and semi-annually thereafter on February 1 and August 1 of each year. Bidders must specify the rate or rates of interest which the bonds shall bear. Bidders will be permitted to bid different rates of interest, provided that: (i) the maximum differential between the lowest and highest coupon rates specified in any bid shall not exceed two per cent per annum; (ii) no bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon and supplemental coupons will not be permitted; (iii) each bond must bear interest from its date to its stated maturity date at the interest rate specified in the bid; (iv) each interest rate specified must be in a multiple of 1/20 of one per cent per annum and a zero rate of interest cannot be specified; (v) any premium must be paid as part of the purchase price, and no bid will be accepted which provides for the cancellation or surrender of any interest coupon or the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price (including premium) in funds immediately available to the Agency in San Francisco, California; (vi) all bonds of the same maturity must bear the same rate of interest; (vii) *the interest rate on the bonds maturing in each year beginning on or after February 1, 1989 must either be the same as or higher than the interest rate on the bonds maturing in the preceding year;* and (viii) any discount bid shall be stated as a specific sum not exceeding \$160,000.

MATURITY: The bonds will mature serially on February 1 in each of the years, and in the amounts, as follows:

<u>Maturity Date February 1</u>	<u>Principal Amount</u>	<u>Maturity Date February 1</u>	<u>Principal Amount</u>
1981	\$100,000	1994	\$325,000
1982	100,000	1995	325,000
1983	125,000	1996	350,000
1984	125,000	1997	375,000
1985	150,000	1998	400,000
1986	175,000	1999	425,000
1987	200,000	2000	475,000
1988	200,000	2001	500,000
1989	225,000	2002	550,000
1990	225,000	2003	575,000
1991	250,000	2004	600,000
1992	275,000	2005	650,000
1993	300,000		

REDEMPTION: The Agency shall have the right, under the circumstances prescribed in the Ordinance, to redeem bonds from proceeds of insurance or proceeds of eminent domain proceedings, upon the terms and conditions set forth in the Ordinance. Bonds maturing on or before February 1, 1988 are not otherwise subject to redemption prior to their respective maturity dates. Bonds maturing on or after February 1, 1989 are also subject to redemption prior to their respective stated maturities, at the option of the Agency, from any source of available funds, as a whole, or in part in inverse order of maturities and by lot within any such maturity if less than all of the bonds of such maturity be redeemed, on any date on or after February 1, 1988, at the principal amount thereof and accrued interest thereon to the date of redemption, plus a premium of one-fourth of one per cent of such principal amount for each year or fraction thereof remaining between the date fixed for

redemption and their stated maturity, except that such premium shall not exceed four per cent of such principal amount and except that no premium shall be paid on bonds redeemed on or after February 1, 2003.

PAYMENT: Both principal and interest are payable in lawful money of the United States of America at the main office of the Trustee of the Agency, Bank of America National Trust and Savings Association, in San Francisco, California, or, at the option of the holder, at the principal offices of the paying agents of the Agency, First National City Bank in New York, New York, and Harris Trust and Savings Bank in Chicago, Illinois.

REGISTRATION: The bonds may be issued in coupon form or in fully registered form, and will be interchangeable upon the terms set forth in the Resolution.

PURPOSE: The bonds are authorized for the purpose of financing the acquisition and construction of improvements to the Water System of the Agency.

SECURITY: The bonds (together with bonds of any additional series issued under and subject to the conditions of the Ordinance) are revenue bonds payable exclusively from the Revenues of the Water System (as those terms are defined in the Ordinance). Bidders are referred to the Ordinance and to the official statement for further particulars. A reserve fund will be established and will be maintained at an amount equal to maximum annual debt service on the bonds and on the bonds of any subsequent series.

TAX EXEMPT STATUS: In the event that prior to the delivery of the bonds (a) the income received by any private holder from bonds of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse tax effect on holders of the bonds as such, the successful bidder may, at his option, prior to the tender of the bonds by the Agency, be relieved of his obligation under the contract to purchase the bonds, and in such case the deposit accompanying his bid will be returned.

LEGAL OPINION: The legal opinion of Messrs. Orrick, Herrington, Rowley & Sutcliffe, of San Francisco, California, approving the validity of the bonds, will be furnished to the successful bidder without charge. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

TERMS OF SALE

Highest Bid: The bonds will be awarded to the highest responsible bidder, considering the interest rate or rates specified and the premium offered or discount bid, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from, or adding the amount of the discount bid to, the total amount of interest which the Agency would be required to pay from the date of the bonds to their respective maturity dates at the coupon rate or rates specified in the bid, and the award will be made on the basis of the lowest net interest cost to the Agency. The purchaser must pay accrued interest from the date of the bonds to the date of delivery. All interest will be computed on a 360-day year basis. The cost of printing the bonds will be borne by the Agency.

Right of Rejection: The Board reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

Prompt Award: The Board will take action awarding the bonds or rejecting all bids not later than 32 hours after the expiration of the time herein prescribed for the receipt of bids, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

Delivery and Payment: Delivery of the bonds will be made to the successful bidder at the principal office of the Trustee in San Francisco, California, as soon as the bonds can be prepared, which the Agency estimates will be within 30 days from the date of sale. Payment for the bonds must be made in funds immediately available to the Agency in San Francisco, California. Any expense of providing immediate San Francisco funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the purchaser.

Right of Cancellation: The successful bidder shall have the right, at his option, to cancel the contract of purchase if the Agency shall fail to execute the bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

Form of Bid: All bids must be for not less than all of the bonds hereby offered for sale, and for not less than the par value thereof and accrued interest to date of delivery, plus such premium or less such discount as is specified in the bid (provided that the amount of the discount specified in any bid shall not exceed \$160,000). Each bid, together with bidder's check, must be enclosed in a sealed envelope addressed to the Agency with the envelope and bid clearly marked "Proposal for Sonoma County Water Agency 1971 Water Revenue Bonds, Series A." Each bid must be in accordance with the terms and conditions set forth in this notice. Bids may be mailed to the Agency, in care of Mr. Carl Kadie, Jr., Stone & Young-

berg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California 94111, but must be received by 9:00 A.M., March 11, 1975. Bids may also be delivered at the place first above described, until 10:00 A.M., March 11, 1975.

Bid Check: A certified or cashier's check drawn on a bank or trust company having an office in San Francisco, California, in the amount of \$75,000, payable to the order of the Agency, must accompany each proposal as a guaranty that the bidder, if successful, will accept and pay for the bonds in accordance with the terms of his bid. The check accompanying any accepted proposal shall be applied on the purchase price. The check shall be cashed and the amount thereof retained by the Agency if after the award of the bonds the successful bidder fails to complete his purchase on the terms stated in his proposal. The check accompanying each unaccepted proposal will be returned promptly. No interest will be paid upon the deposit made by any bidder.

Statement of Each bidder is requested, but not re-
Net Interest Cost: quired, to state in his bid the total net interest cost in dollars to the Agency and the percentage net interest cost determined thereby, which shall be considered as informative only and not binding on either the bidder or the Agency.

Official Statement: The Agency has adopted an official statement relating to the bonds, a copy of which may be obtained at the principal office of Stone & Youngberg Municipal Financing Consultants, Inc., financing consultant to the Agency, Suite 2750, One California Street, San Francisco, California 94111.

CUSIP Numbers: CUSIP numbers have been applied for and will be printed on the bonds at the Agency's expense. Neither the absence of such numbers nor the presence of an incorrect number on any or all of the bonds shall constitute a reason for the purchaser to refuse to accept delivery of the bonds.

No Litigation: There is no litigation pending concerning the validity of the bonds, the existence of the Agency or the entitlement of the officers thereof to their respective offices, and the Agency will furnish to the successful bidder a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the bonds.

Dated: February 10, 1975.

/s/ EUGENE D. WILLIAMS
Clerk of Sonoma County Water Agency,
Sonoma County, California

SONOMA COUNTY WATER AGENCY
Sonoma County, California

BOARD OF DIRECTORS
(Board of Supervisors of Sonoma County)

Charles E. Hinkle, *Chairman*
William K. Johnson
Bill Kortum
Bob Theiller
Ignazio A. Vella

PROFESSIONAL SERVICES

Orrick, Herrington, Rowley & Sutcliffe, San Francisco
Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc., San Francisco
Financing Consultants

Bank of America, N.T. & S.A.
Trustee

The information contained within this Official Statement was prepared under the direction of the Sonoma County Water Agency by Stone & Youngberg Municipal Financing Consultants, Inc. who were employed by the Agency as financing consultants in connection with the proposed bond issue.


All of the following summaries of the statutes, ordinances, agreements, and engineer's reports are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The information contained within this Official Statement has been compiled from sources believed to be reliable. The Official Statement contains estimates and matters of opinion which are not intended as representations of fact. This Official Statement is not to be construed as a contract with the purchasers of the bonds.

/s/ **CHARLES E. HINKLE**
*Chairman of the Board of Directors of
Sonoma County Water Agency*

/s/ **EUGENE D. WILLIAMS**
Clerk of Sonoma County Water Agency

THE DATE OF THIS OFFICIAL STATEMENT IS FEBRUARY 19, 1975

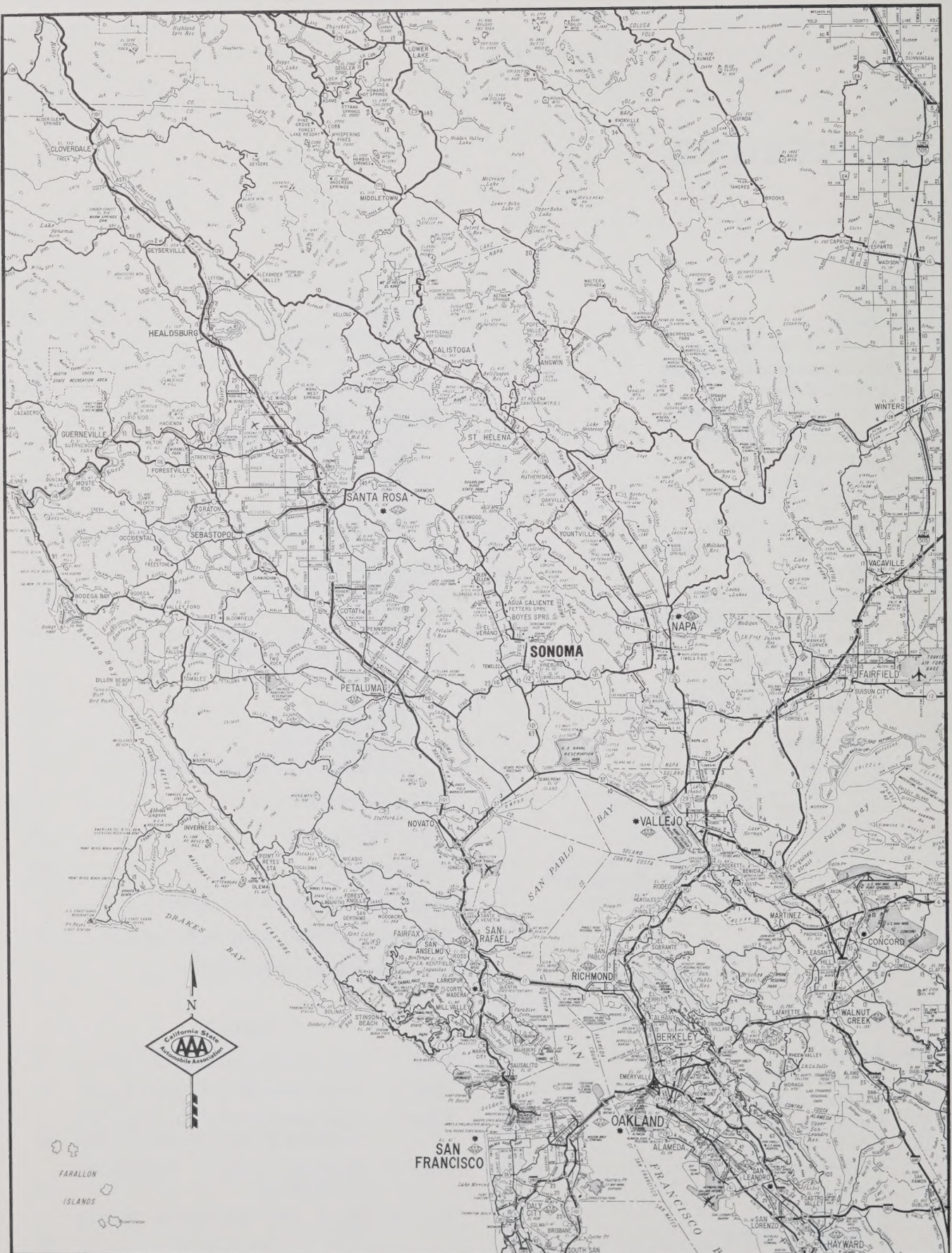


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Vicinity Map showing Sonoma County and its proximity to San Francisco Bay

INTRODUCTION

The Sonoma County Water Agency (formerly the Sonoma County Flood Control and Water Conservation District) was formed in 1949. The Agency is Countywide and its Board of Directors is made up of the Board of Supervisors of Sonoma County.

The Agency functions almost exclusively as a wholesaler of water to eight communities (the "water contractors"), seven of which are entirely within Sonoma County and one of which, North Marin C.W.D., is primarily in Marin County.

For the purpose of financing improvements to the Water System, meeting revenue obligations and providing the criteria for the maintenance and operation of the system and the levying of rates and charges, the Agency entered into an agreement, dated October 25, 1974, with its water contractors. In brief, the agreement provides that each of the separate water contractors will purchase water from the system and take all steps necessary to maintain rates and charges or other sources of revenue which, in the aggregate, are sufficient to meet its share of the debt service on the revenue bonds and the cost of maintenance and operation. Such payments are to be made notwithstanding the quantity or quality of water actually delivered. The agreement requires the contractor to promptly pay all such charges as determined by the Agency and, in the event of a dispute over the amount of charge, that the contractor pay the billed amount, notwithstanding such dispute. If the dispute is later settled in favor of the water contractor, the Agency will make appropriate refunds, as it is able to do so within the restrictions of the revenue bond covenants.

Based on current projections, the debt service applicable to the Series A and Series B Bonds (Series B Bonds to be sold in September 1975 in the estimated principal amount of \$25,000,000) are attributable amongst the contractors as shown above.

The bonds currently offered for sale are part of a \$115,000,000 authorization approved by the Water Agency on December 28, 1970, with the passage of Ordinance No. 1. Bidders will be allowed

to specify a discount of up to \$160,000 (2%) on the Series A Bonds.

Contractor	Series A & B Estimated Percent of Revenue Bonded Debt Applicable
City of Santa Rosa	51.41%
City of Petaluma	29.32
City of Sonoma	5.69
City of Rohnert Park	1.73
City of Cotati	2.93
Valley of the Moon County Water District	8.11
Forestville County Water District	0.81
North Marin County Water District* ...	—0—

*North Marin County Water District will pay for its share of the project cost from the sale of its own general obligation bonds, which bonds were sold several months ago.

Proceeds from the sale of Series A and Series B of this authorization in a principal amount of \$33,000,000 (estimated) will be used to construct the River to Cotati Intertie, water collection facilities, pumps and storage facilities. The immediate effect of the completion of the project will be to increase the capacity of the water system up to the Agency's current maximum water rights, an increase of some 44 percent. The aqueduct system itself (the River to Cotati Intertie) has been sized to provide for delivery of approximately twice the current water entitlement of the Agency. As discussed in the Water System section of this Official Statement, the Agency has made application for additional water rights and will be the beneficiary of the Warm Springs Dam Project, if and when such is completed by the United States Army Corps of Engineers. If both of these sources of supply are realized, the Agency will have an adequate firm water supply projected to last through the turn of the century, based on present growth rates in the area.

Under the terms of Ordinance No. 1, and the first Supplemental Ordinance, the Agency has appointed the Bank of America N.T. & S.A. to act as Trustee with respect to the 1971 Water Revenue Bonds. From the initial proceeds of the bond sale, the Trustee will fund the interest fund (interest funded from bond proceeds through August 1, 1977) and the bond reserve fund (which must be maintained at a level equal to the maximum aggregate

bond service incurring during any fiscal year on all of the then bonds outstanding of this authorization).

The Agency has covenanted to set up a maintenance and operation fund and to deposit in this fund at the beginning of each fiscal year an amount equal to the estimated cost of maintenance and operation for the entire succeeding fiscal year. This fund is to be initially funded from bond proceeds or from other Agency sources. Revenues, as they are paid to the Agency, will be turned over to the Trustee, and applied first, to the interest fund, second, to the redemption fund, third, to the reserve fund if any deficiency exists therein, and lastly, to the Agency Fund. As soon as sufficient funds have been placed in the interest fund to pay interest on the next succeeding semiannual interest payment date and in the principal fund to meet debt service for the next ensuing fiscal year, surplus funds which have been deposited in the Agency Fund in excess of the estimated amount required for the maintenance and operation fund on the next succeeding July 1 will be released to the Agency upon demand. The amount reserved for maintenance and operation will be applied to reconstituting the maintenance and operation fund to meet the cost of maintenance and operation during the next ensuing fiscal year. Any remaining funds may be used for any authorized purpose of the Agency. This procedure has the effect of freezing the gross revenues of the system until reserve bond requirements have been met.

As earlier mentioned, the Agency acts as a water wholesaler, having little if any need for surplus revenues to meet incidental expenses or expansion that would characterize a retail water system. The Agency has pledged to maintain net revenues equal to at least 115 percent of annual debt service during the immediately ensuing 12 months. The water contractors have agreed to annually pay the Agency as charges for water delivered whatever amounts may be required to meet the cost of maintaining and operating the system, debt service and coverage requirements. Accordingly, there is very little spread between estimated actual coverage and pledged coverage. Revenues and expenditures of the Agency have been projected beginning with the fiscal year 1977-78 (the first year that bond service is not being met from bond proceeds) through the fiscal year ending June 30, 1987. Assuming the sale of Series A and B bonds as anticipated in an aggregate principal amount of \$33,000,000, the actual coverage of net revenues to maximum annual debt service varies between 117 percent and 118 percent during

this ten-year period (maximum debt service estimated to be \$2,870,000 per year).

The 1974-75 assessed valuation of the Sonoma County Water Agency is \$818,201,172. Based on current assessment ratios, this would indicate a market value slightly less than \$3,500,000,000. The Agency's assessed valuation has increased by over 50% in the last five years.

The assessed valuation of water contractors responsible for the repayment of the 1971 Water Revenue Bonds is \$377,744,682. The assessed valuation of all the water contractors, including North Marin County Water District, which has no obligation relative to the payment of debt service on the revenue bonds, but will be paying maintenance and operating costs, is \$522,819,753.

The estimated population of the Water Agency as of July, 1974, was 237,800. This would indicate an average assessed valuation per capita of \$3,441. The gross direct debt of the Agency is equal to 1.340 percent of assessed valuation. The gross direct and overlapping bonded debt is equal to 10.288 percent. Net direct debt equals .313 percent of assessed valuation and net direct and overlapping debt equals 7.909 percent of assessed valuation. The average ratio of assessed valuation to market value is less than 25 percent. Accordingly, the previous ratios given on debt to assessed valuation can be converted to ratios of debt to market value by applying a 25 percent factor.

Tax collection experience within the Water Agency has been excellent. The delinquency rate in 1973-74 was 2.46 percent. Tax delinquency in the City of Santa Rosa and the City of Petaluma, the Agency's two major water customers, having responsibility for payment of the revenue bonds, was 1.39 percent and .90 percent, respectively, during the 1973-74 fiscal year. The weighted average tax delinquency during this period for all of the Agency's customers was 1.43 percent.

The steady and substantial growth in assessed valuation within the Agency and its member contractors have not been offset by increased costs of operation. Examining the tax rates applicable to major code areas within the Agency, and comparing the tax rates for the fiscal year ending June 30, 1971 with those of the fiscal year ending June 30, 1975, a marked trend toward tax rate reduction can be seen. The magnitude of this reduction varies between \$0.50 and \$1.00 per \$100 assessed valuation, throughout most of the contracting agencies.

THE BONDS

Authority for Issuance

The \$8,000,000 Sonoma County Water Agency 1971 Water Revenue Bonds Series A, herein called "the bonds", are the first series of a \$115,000,000 authorization created by the passage of Ordinance No. 1 of the Sonoma County Water Agency on December 28, 1970 (herein, as amended by the First Supplemental Ordinance, called "the Ordinance").

Each series of bonds of the authorization must be proceeded by a duly noticed public hearing followed by the adoption of a supplemental ordinance. As the first phase of the project will require the expenditure of an estimated \$33,000,000, a public hearing was held on December 16, 1974, and supplemental ordinances passed for the sale of both Series A and Series B (\$25,000,000) bonds. The Series B bonds will be offered for sale in September 1975 and will be dated October 1, 1975. All future series of this issue will be payable at the same time as the Series A Bonds—February 1 and August 1.

The bonds will be issued pursuant to the Master Ordinance, the First Supplemental Ordinance, and pursuant to the Sonoma County Water Agency Act and the Revenue Bond Law of 1941 of the State of California.

Accompanying Documents

The principal documents which accompany this official statement include the Official Notice of Sale, the Ordinance (as amended by the First Supplemental Ordinance), the First Supplemental Ordinance, the Agreement for Water Supply and Construction of Russian River-Cotati Intertie Project (the agreement between the Agency and the water purchasers for the sale of water) and the Supplement to Agreement for Water Supply and Construction of Russian River-Cotati Intertie Project.

Terms of Sale

Bids for the purchase of the bonds will be received by a representative of the Water Agency

Tuesday, March 11, 1975, at 10:00 A.M. at the offices of Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California. It is anticipated that award of the bonds will be made by the Agency at 2:00 P.M. of the same day at the Board of Supervisors Chambers, Santa Rosa, California. Details of the terms of the sale are included in the Official Notice of Sale dated February 10, 1975.

Description of the Bonds

The bonds will be dated February 1, 1975, and will be issued in coupon form in the denominations of \$5,000 each, numbered A1 through A1,600, or in fully registered form. The bonds will mature on February 1 in each of the years and in the amounts shown in the following Schedule of Maturities.

SCHEDULE OF MATURITIES

Year	Principal Amount	Year	Principal Amount
1981 ...	\$100,000	1994 ...	\$325,000
1982 ...	100,000	1995 ...	325,000
1983 ...	125,000	1996 ...	350,000
1984 ...	125,000	1997 ...	375,000
1985 ...	150,000	1998 ...	400,000
1986 ...	175,000	1999 ...	425,000
1987 ...	200,000	2000 ...	475,000
1988 ...	200,000	2001 ...	500,000
1989 ...	225,000	2002 ...	550,000
1990 ...	225,000	2003 ...	575,000
1991 ...	250,000	2004 ...	600,000
1992 ...	275,000	2005 ...	650,000
1993 ...	300,000		

Interest is payable on February 1, 1976, and semi-annually thereafter on February 1 and August 1 of each year.

Both principal and interest are payable in lawful money of the United States of America at the main office of the Trustee of the Agency, Bank of America National Trust and Savings Association, in San Francisco, California. Both principal and interest are also payable, at the option of the holder, at the principal offices of the paying agents of the Agency, First National City Bank in New York, New York, and Harris Trust and Savings Bank in Chicago, Illinois.

Redemption Provisions

Bonds maturing on or after February 1, 1989 are subject to redemption prior to their respective stated maturities, at the option of the Agency, from any source of available funds, as a whole, or in part in inverse order of maturities and by lot within any such maturity if less than all of the bonds of such maturity be redeemed, on any date on or after February 1, 1988, at the principal amount thereof and accrued interest thereon to the date of redemption, plus a premium of one-fourth of one percent of such principal amount for each year or fraction thereof remaining between the date fixed for redemption and their stated maturity, except that such premium shall not exceed four percent of such principal amount and except that no premium shall be paid on any bond redeemed on or after February 1, 2003.

The Agency shall also have the right, under the circumstances prescribed in the Ordinance and First Supplemental Ordinance, to redeem bonds from proceeds of insurance or proceeds of eminent domain proceedings, upon the terms and conditions set forth in the Ordinance and First Supplemental Ordinance. Bonds maturing on or before February 1, 1988 are not otherwise subject to redemption prior to their respective maturity dates.

Registration

The bonds may be issued in coupon form or in fully registered form and will be interchangeable upon the terms set forth in Ordinance.

Legal Opinion

The unqualified opinion of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, bond counsel for the Sonoma County Water Agency, attesting to the validity of the bonds, will be supplied free of charge to the original purchasers of the bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

Tax Exempt Status

In the opinion of bond counsel, the interest on the bonds is exempt from income taxes of the United States of America under present federal income tax laws and such interest is also exempt from personal income taxes of the State of California under present State income tax laws.

Purpose of the Bonds

Proceeds from the sale of the Series A and B bonds will be used to finance major improvements to the Agency's water system which will increase delivery capabilities to each of the Agency's water customers, as more fully described in "The Water System" section of this Official Statement.

Disposition of Bond Proceeds

The Ordinance provides that proceeds received from the sale of bonds shall be applied as follows:

1. An amount sufficient to pay interest through August 1, 1977 will be deposited with the Trustee in the Interest Fund.

2. Reserve Fund. An amount equal to the maximum bond service payable on the bonds in any fiscal year will be transferred by the County Treasurer to the Trustee and held in the Reserve Fund. Similar deposits will be required for all future issues.

3. The Treasurer shall transfer to the Trustee for deposit in the Maintenance and Operation Fund an amount equal to 15% of the principal amount of the bonds, less the amount deposited in the Reserve Fund. A similar deposit will be made from the proceeds of the sale of Series B bonds, except that the aggregate amount deposited shall not exceed \$850,000 (the estimated annual cost of maintaining and operating the Water System in 1975).

4. The balance of the proceeds will be deposited in the Construction Fund. Money in this fund will be used to pay the costs of improvements to the system and incidental expenses of the project and of issuance of the bonds.

Security

The bonds, together with bonds of any additional series issued under the Ordinance, are revenue bonds payable exclusively from the revenues of the Water System of the Agency.

The Agency has entered into a water purchase agreement with eight other public entities (herein called the "Water Contractors") who serve as water retailers. This contract calls for prompt payments to the Agency, notwithstanding the quality or quantity of water delivered, which, in the aggregate, will meet the Agency's "Revenue Bond Obligations," which include:

1. Payment of interest and principal on the bonds.

2. Maintenance of coverage of Net Revenues to Bond Service of not less than 115%.

3. The cost of maintaining and operating the Water System.

The contract also states, "Notwithstanding any dispute between the Agency and a water contractor, such water contractor will pay all its bills when due and shall not withhold all or any part of any payment pending the final resolution of such dispute. If the resolution of the dispute results in a refund to the water contractor, the Agency shall make such refund as promptly as it is able to do so, consistent with its meeting its Revenue Bond obligations."

Under the terms of the water purchase agreement, "Any owner or holder of Revenue Bonds may also enforce any provision of this agreement inuring to the benefit of the holders of the Revenue Bonds." The obligations of the Agency and the Water Contractors are more completely described in "The Water System" section of this Official Statement.

Allocation of Revenues

Section 5.02 of the Ordinance provides that all Revenues of the "Water System" will be transferred to the Trustee, who shall deposit same in the following special funds, listed in order of priority:

1. Interest Fund—all revenues until the balance in the Interest Fund is sufficient to meet the next semiannual interest payment.

2. Redemption Fund—an amount sufficient to meet the principal and Sinking Fund requirements on all bonds outstanding, together with bonds of subsequent series, as follows:

(a) Principal Account—all remaining revenues until the balance in the Principal Account is sufficient to pay the principal of all serial bonds maturing in the next 12 months.

(b) Sinking Fund—all remaining revenues until there shall be on deposit in the Sinking Fund such amounts as may be required for the retirement of term bonds in the proceedings authorizing the issuance of such bonds during the next 12 months.

3. Reserve Fund—such amounts as may be required to maintain the Reserve Fund in the full amount of Maximum Award Debt Service.

4. Agency Fund—all revenues received by the Trustee over and above the before-mentioned

requirements will be held by the Trustee in the Agency Fund until there shall be on deposit in the Agency Fund an amount equal to the estimated amount to be required to be deposited in the Maintenance and Operation Fund, at the beginning of the next succeeding fiscal year of the Agency. Any monies in the Agency Fund in excess of such required balance may be withdrawn from time to time by the Agency.

Maintenance and Operation Fund

Under Section 6.04 the Agency agrees to create and maintain a 1971 Water Revenue Bond Maintenance and Operation Fund, and place in such fund, either by transfer from the Trustee or from other sources, at the beginning of each fiscal year (beginning July 1, 1975) an amount equal to the amount budgeted by the Agency for the maintenance and operating costs during such fiscal year. This fund will be initially established with bond proceeds and available funds of the Agency. The balance of this fund shall not exceed, when added to the bond reserve fund, 15% of the aggregate principal amount of the bonds issued under the Ordinance unless a greater balance shall then be permissible under Section 103(d) of the Internal Revenue Code of 1954. The 1975 Operating Budget is currently estimated at \$850,000. The estimated maximum level of the Maintenance and Operation Fund assuming the sale of both Series A and B bonds as authorized, at an interest rate of 7%, would be in excess of \$2,000,000.

Rates and Charges

Section 6.08 of the Ordinance provides that the Agency will, at all times while any of the bonds are outstanding, maintain rates and charges sufficient to meet:

1. Bond service requirements.

2. Payments required under the Master Ordinance and all supplemental ordinances.

3. All payments to meet any other obligations of the Agency which are charges upon or payable from revenues.

4. All current expenses of maintenance and operation of the Water System.

The First Supplemental Ordinance provides that net revenues be maintained to equal not less than 115% of annual debt service on the bonds.

Additional Bonds

The Ordinance provides that no bonds or other evidences of indebtedness having any priority in payment from the revenues of the Water System may be issued.

Additional bonds ranking on a parity with these bonds may be issued subject to the following conditions:

1. The Agency shall not be in default under the terms and provisions of the Ordinance or the terms and provisions of any supplemental ordinance.

2. The filing of a certificate of an independent certified public accountant or independent engineer that the requirements set forth in Section 3.01(f) have been met, which shall be filed after the sale of such series of bonds (but prior to the delivery thereof and receipt of payment therefor), and shall, with respect to such bonds, be based upon the actual interest rate or rates determined at the time of sale thereof. Section 3.01(f) requires that the Agency shall have entered into contracts which in the aggregate will provide net revenues sufficient to meet debt service on outstanding and proposed bonds.

3. An opinion of counsel to the effect that such series of bonds has been duly authorized in conformity with law and prior proceedings of the Agency.

4. The amount in the Reserve Fund is to be increased from any available funds to a sum equal to maximum annual debt service on the outstanding bonds and the additional bonds.

Additional Covenants

The Ordinance contains certain additional covenants for the protection of the bondholder, summarized, in part, in the following.

1. Punctual payment: The Agency covenants that it will punctually pay or cause to be paid all bond interest, principal and premiums when due, and that it will perform all of the requirements of the Ordinance.

2. Operation of Water System: The Agency covenants that it will operate the Water System in an efficient and economical manner and will maintain it in good repair.

3. Against sale: The Agency agrees not to sell, mortgage or otherwise encumber the Water System unless provision is made for continued payment of bond principal and interest, and not to enter any agreement which impairs the operation of the Water System or which would otherwise impair the rights of the bondholders. If any substantial part of the Water System is sold or taken under the power of eminent domain the proceeds must be used for additions or improvements to the system or used to pay or to call and redeem bonds.

4. Insurance: The Agency covenants to provide such casualty insurance on the Water System as is normally maintained, plus liability insurance. Proceeds from insurance awards for damages are to be used to repair and rebuild the Water System or to pay or to call and redeem bonds.

5. Proper records: The Agency covenants to maintain proper records and accounts with respect to the Water System, and to publish an annual statement not more than 90 days after the close of each fiscal year.

Estimated Annual Bond Service

Table 1 shows estimated annual bond service for the Series A Revenue Bonds currently being offered for sale.

Table 1

SONOMA COUNTY WATER AGENCY

Estimated Annual Debt Service

1971 Water Revenue Bonds, Series A

Year Ending Feb. 1	Principal Outstanding	Interest at 7%	Principal Retired	Total
1976	\$8,000,000	\$ 560,000	\$ —	\$ 560,000
1977	8,000,000	560,000	—	560,000
1978	8,000,000	560,000	—	560,000
1979	8,000,000	560,000	—	560,000
1980	8,000,000	560,000	—	560,000
1981	8,000,000	560,000	100,000	660,000
1982	7,900,000	553,000	100,000	653,000
1983	7,800,000	546,000	125,000	671,000
1984	7,675,000	537,250	125,000	662,250
1985	7,550,000	528,500	150,000	530,000
1986	7,400,000	505,750	175,000	693,000
1987	7,225,000	505,750	200,000	705,750
1988	7,025,000	491,750	200,000	691,750
1989	6,825,000	477,750	225,000	702,750
1990	6,600,000	462,000	225,000	687,000
1991	6,375,000	446,250	250,000	696,250
1992	6,125,000	428,750	275,000	703,750
1993	5,850,000	409,500	300,000	709,500
1994	5,550,000	388,500	325,000	713,500
1995	5,225,000	365,750	325,000	690,750
1996	4,900,000	343,000	350,000	693,000
1997	4,550,000	318,500	375,000	693,500
1998	4,175,000	292,250	400,000	692,250
1999	3,775,000	264,250	425,000	689,250
2000	3,350,000	234,500	475,000	709,500
2001	2,875,000	201,250	500,000	701,250
2002	2,375,000	166,250	550,000	716,250
2003	1,825,000	127,750	575,000	702,750
2004	1,250,000	87,500	600,000	687,500
2005	650,000	45,500	650,000	695,500
		\$12,099,500	\$8,000,000	\$20,099,500

THE WATER SYSTEM

Background

In 1955 the electorate of the Sonoma County Water Agency (then the Sonoma County Flood Control and Water Conservation District) authorized issuance of general obligation bonds to augment water supply in the Russian River by construction of a transmission system to deliver Russian River water to areas of need in southern Sonoma County and to pay the Agency's share of the costs of Coyote Dam and Reservoir (known as Lake Mendocino) which was constructed by the U.S. Army Corps of Engineers. Transmission and water supply features of the Russian River Project are depicted on the following plate.

Summer streamflow in the Russian River is derived from the Potter Valley hydroelectric project, first operational in 1908, and Coyote Reservoir (Lake Mendocino), which was operational in 1958 and is operated by the Corps of Engineers. Warm Springs Dam and Reservoir, now partially constructed by the Corps of Engineers will, if completed, add sufficient water to the river system to meet anticipated demands through the turn of the century. Construction has been stopped by an order of the United States Supreme Court, pending a decision on an appeal involving the Environmental Impact Statement on the project.

While financed principally from proceeds of general obligation bonds, the Agency's existing water transmission system has been self-supporting from revenues received from sale of water. Revenue sufficiency was guaranteed by entering into contracts for sale of water to principal cities and water districts along the route of each pipeline before its construction.

Water sales have increased from a level of about 6,000 acre feet (AF) in 1960 to 26,000 AF during 1973-74 fiscal year. Rapid escalation of water delivered from the system through the 1960's indicated the need to expand the system by the mid-1970's. In 1970, the Agency authorized the sale of up to \$115,000,000 of revenue bonds to finance such expansion. In 1972, the Agency's authorization to sell

revenue bonds was tested by initiative proceedings before the electorate in Sonoma County. The electorate refused to repeal the revenue bond authorization and the Agency thereupon began exploring with its existing customers alternate expansion proposals which would meet demands.

The most feasible alternates studied included as a central component a pipeline from the Russian River intertying with the existing transmission system at Cotati. The pipeline would allow up to a doubling of existing system capacity since flow could be routed both northerly and southerly from Cotati through the existing Petaluma Aqueduct. Alternates which more than doubled system capacity required a commitment to construct additional pipelines in the 1980's and 1990's. Projects of lesser capacity would require a continuous construction program with new and parallel pipelines added at frequent intervals. The agreed-upon project is the Russian River-Cotati Intertie (the Project) with a nominal capacity of 60 cubic feet per second (CFS) delivered into the Petaluma Aqueduct at Cotati with additional reserve capacity in the first reaches of the pipeline of 15 CFS which may be utilized by Santa Rosa should it interconnect its system to the pipeline.

North Marin County Water District will meet its share of project cost from the proceeds of the sale of its own general obligation bonds. Total funds available to meet the estimated cost of the project are shown in the following tabulation.

Bond Proceeds	
Series A	\$ 8,000,000
Series B	25,000,000
Agency Funds (expended to date) ...	1,800,000
Contribution from North Marin CWD	4,288,000
Interest Earned on all Funds①	2,395,000
TOTAL	\$41,483,000
① Calculated at 7% over 2½ year construction period.	
Reserve Fund	\$ 404,000
Interest Fund	435,000
Construction Fund (Assumes ¾ of 1 year of interest on \$29,654,000) ..	1,556,000
TOTAL	\$ 2,395,000

The Project

Summarizing the operation of the present water system, water is taken from the Russian River by collectors in the gravels adjacent to the Russian River, which results in a high degree of filtration. Once collected, the water is transported by the Santa Rosa Aqueduct (with a branch to Forestville) to

THE RUSSIAN RIVER WATER PLAN



Santa Rosa. At Santa Rosa, this aqueduct branches into the Petaluma Aqueduct and the Sonoma Aqueduct.

The Agency's original permit to appropriate water was issued on August 17, 1961, and required the Agency to complete construction of certain diversion works by December 1, 1975. The Agency has petitioned the State Water Resources Control Board to extend to December 1, 1977 the time within which to construct the initial features of the River to Cotati Intertie and to 1987 the time to construct the remaining features.

The estimated cost of the Project, as prepared by the Agency's engineering staff, is \$29,654,000. The Agency retained Rickett, Ward and Delmarter, a firm of civil engineers and construction contractors with recent experience in a similar project, to review this estimate. The estimate of the independent engineering firm was \$27,386,000. Bids for all major items of construction will be in hand prior to the sale of the Series B bonds. If required, a portion of the Series B issue could be canceled, or an additional series of the \$115,000,000 authorization could be sold following a public hearing on the issuance of the bonds of such series.

Based on the Agency's construction cost estimate and the sale of the full \$33,000,000 of Series A and B bonds, expenditures would be as follows:

Construction Cost	\$29,654,000 ^①
Reserve Fund	2,900,000
Funded Interest	4,608,000
Allowance for Bond Discount .	660,000
Allowance for Contingency ...	2,811,000
Maintenance and Operation Fund	850,000
	<hr/>
	\$41,483,000

^① Includes engineering and contingencies.

Water Supply and System Capacity

The Agency presently is capable of producing and delivering water at a peak rate of 60 cubic feet per second (CFS) with a total annual capacity of approximately 26,000 AF. Under an October 17, 1974 order of the State Water Resources Control Board, the Agency has water rights and storage and redirection rights aggregating 92 CFS and 37,544 AF per year. The facilities to be constructed with the Series A and B bonds will be capable of delivering more than this amount of water, representing an

increase in capacity of over 44% above the present capacity of the system. The Agency and the water contractors had believed that under the Agency's water rights sufficient water would be available to it, except in an extreme drought condition, to satisfy the additional future demands of the water contractors proposed to be satisfied by the River to Cotati Intertie. Following the October 17, 1974 order of the State Water Resources Control Board, the Agency petitioned for a rehearing, and the Board granted a reconsideration of the 37,544 AF limitation imposed by the October 17, 1974 order. Subsequently, the Agency petitioned the State Water Resources Control Board to increase the Agency's rights from 92 CFS to 180 CFS.

Collection and storage facilities, which can be added from time to time as needed, are being constructed now only to the extent required to deliver the water which the Agency is presently entitled to deliver under permits from the State Water Resources Control Board. The aqueduct system is being sized to deliver approximately 150 CFS. Engineering economics make this a very normal course of action to follow. The capacity of the River to Cotati Intertie can be approximately doubled at this time for an added cost of about 10%. To later increase delivery capacity would require the construction of a second parallel line.

There are two principal sources of possible additional water: Lake Mendocino and Warm Springs Dam.

Water stored in Lake Mendocino, so far unexploited, of 40,000 AF has been available in each of the last 15 years but has been uncalled for. The Agency now has an application before the State Water Resources Control Board to allow the release of the water in Lake Mendocino into the Russian River and redirection at the location of the collector system.

Water in Lake Mendocino is derived from the Eel River. Its transportation is part of a P. G. & E. hydroelectric operation. Pursuant to an agreement with the Agency, P. G. & E. has agreed to divert through its Potter Valley hydroelectric operation waters to accommodate Agency's operations, to the extent that P. G. & E. can do so prudently. Should P. G. & E. ever decide to abandon this operation, the Agency's contract with P. G. & E. grants the Agency an option in the nature of a first right of refusal to continue diversion of the water and to construct facilities for this purpose. Some year ago this

power operation was felt to be somewhat marginal; however, with the increased cost of fossil fuel, the economics of continuing the project has been greatly enhanced.

P.G.&E. has applied for a new fifty year license for the operation of the Potter Valley hydroelectric operation. Although no objections have been raised to the granting of the new license, various parties have intervened requesting an increase in the amount of water released down the Eel River, which would result in a reduction in the amount of water released into the East Fork of the Russian River and into Lake Mendocino. The Agency has applied for leave to intervene, contending that the matter of state water rights is a matter to be determined by the State of California and not by the Federal Power Commission and that in any event the Federal Power Commission should not reduce the flow of waters from the hydroelectric operation into the East Fork of the Russian River. A reduction of water flowing into the East Fork of the Russian River would reduce the amount of water available to the Agency from Lake Mendocino.

Warm Springs Dam, under construction by the Army Corps of Engineers until construction was stopped recently by an order of the United States Supreme Court, is located 25 miles northwest of the City of Santa Rosa. The project was started in the mid-1960's and is presently approximately 25% complete. Construction of this project has been subject to considerable interruption, first because of delays in appropriations, and most recently as a result of litigation challenging the adequacy of the Environmental Impact Statement.

If and when completed, the Warm Springs Project will provide a firm annual yield of approximately 150 CFS, which should be adequate to meet the water supply demands of the Agency through the turn of the century upon the Agency's obtaining water rights permits from the State Water Resources Control Board for additional water.

The water rights of the Agency are subject to certain prior rights of other users and also to rights of any upstream county in which the water originates to the extent that such water is necessary for development of lands in such county lying in the watershed above Lake Mendocino.

As discussed in more detail in the following paragraph, the water purchase contract is not contingent upon the Agency's ability to deliver water in quantities greater than might be available. Even in

extreme drought conditions, the contract provides that the water contractors will pay a price for water delivered sufficient to meet all of the Agency's obligations. In such a case, water would be apportioned in accordance to need. The last occurrence of a severe drought condition was in 1924. If the dry year of record (1924) were to repeat, it is estimated that there would be an approximate 12,000 AF deficiency under current operations, which would have to be taken either from stream flow, municipal or agricultural diversions, or a combination thereof. Use of water from the river includes, in addition to municipal, industrial and agricultural diversions, a large block of water for maintaining stream flow at a minimum of 125 CFS at Guerneville.

The Water Purchase Agreement

This agreement was entered into on October 25, 1974 between the Agency and its eight principal water purchasers in order to (1.2) "provide a water supply or a supplemental water supply for each of the water contractors and to provide for payment to the Agency for water delivered . . . sufficient to enable it to meet its obligations on its Revenue Bonds and . . . its expenses of operating and maintaining the Transmission System." As herein used, "Revenue Bond obligations" is a defined term (1.1Q).

"Revenue Bond obligations" means "the payment of principal of and interest on the Revenue Bonds and all other obligations and covenants of the Agency with respect to the Revenue Bonds contained in Ordinance No. 1, including specifically any covenant to establish and maintain rates and charges to provide revenue coverage in excess of a specified amount as established by an ordinance of the Agency supplemental to or amendatory of Ordinance No. 1."

"Term" (1.3): The contract runs until June 30, 2014, with provision for renewal.

Enforcement (1.5): Any party to the contract may bring action to cause enforcement. The failure of one party to adhere to the terms of the contract does not relieve the other parties of their obligations thereunder.

"Any owner or holder of Revenue Bonds may also enforce any provision of this agreement inuring to the benefit of the holders of the Revenue Bonds."

"Amendments" (1.6): The contract may only be amended with the consent of all of the parties

thereto, and, if such amendment has any effect on the security of the bonds, the consent of the Trustee is also required, which consent may only be given, if, following such amendment, the Agency's ability to meet its "Revenue Bond obligations" is not impaired.

Prompt Payment (1.7): "The water contractors . . . agree to pay promptly all charges established pursuant to this agreement. In the event of the failure or inability of the Agency to construct or to complete the construction of the Russian River-Cotati Intertie, or to maintain the Russian River-Cotati Intertie, the water contractors (excluding North Marin) will pay to the Agency such water charges fixed pursuant to Sections 4.10, 4.11 and 4.12 as are necessary for the Agency to meet its Revenue Bond obligations notwithstanding any deficiency in the quantity or quality of water to which they or any of them would be entitled pursuant to this agreement. The provisions of this agreement are made for the benefit of the owners and holders from time to time of the Revenue Bonds and may be enforced by or on behalf of any such owner or holder."

"Water Contractor's Duty to Provide Funds" (1.9): "Each water contractor shall use any and all means legally available to it (including, without limitation, the enactment and maintenance in effect of legislation establishing fees, tolls, rates

and charges pertaining to the operation of its water distribution system) so as to produce monies sufficient in amount to meet the monetary obligations incurred by it pursuant to this agreement and to enable it to maintain its water distribution system in good working order."

"Quality of Water" (3.7c): "The payment obligations of the water contractors set forth in Part 4 shall not be affected in any manner by the quality of the water delivered by the Agency hereunder."

To provide further assurance to prospective purchasers of the revenue bonds, the Agency and the eight water contractors authorized by resolution of their governing boards and executed a supplement to the water supply contract. In this supplement the Agency and the water contractors ratify the execution of the water contract, and each water contractor further confirms that said water contractor will make the payments required by it under the water contract notwithstanding any deficiency in the quantity of water to which such water contractor would be entitled resulting from the inability of the Agency to obtain entitlements to divert additional water from the Russian River. The Agency agreed to continue to use its best efforts to obtain and maintain entitlements to divert additional water from the Russian River.

Table 2

PROJECT COST EFFECT ON RETAIL RATES

	Retail Cost* Per Month March 1974 (2400 Cubic Feet)	Wholesale Cost Per Acre Foot (1974)	Wholesale Cost Per Acre Foot (1980)	Additional Cost Per Acre Foot	Additional Cost Per Month (2400 Cubic Feet)	Percent Increase
City of Santa Rosa	\$ 7.52	\$61.16	\$111.81	\$50.65	\$2.79	37
City of Petaluma	10.90	64.50	144.35	79.85	4.40	40
Valley of the Moon County						
Water District	12.23	75.50	137.49	61.99	3.42	28
City of Sonoma	11.98	75.50	137.49	61.99	3.42	29
City of Cotati	12.27	94.50	144.35	49.85	2.75	22
Forestville County Water						
District	16.48	94.50	116.77	22.27	1.23	7
City of Rohnert Park	4.00	94.50	144.35	49.85	2.73	69
North Marin County Water						
District	8.96	64.50	65.11	.61	.03	-0-

* Typical retail connection.

Allocation of Costs to Contractors

The contract identifies and allocates the following categories of cost:

(1) 1955 General obligation bonds sold in 7 series to build various components of the existing system. Being repaid from revenue received from the water contractors based on benefit of facility and its cost.

(2) 1971 Water Revenue Bond Service including required coverage. The debt service (including maintenance of coverage) applicable to the intertie line itself will be apportioned in accordance with the benefits to the various water contractors. Funds from the issue expended for storage facilities and pumping facilities will be repaid by a uniform charge per acre foot to all water users. (As earlier mentioned this allocation

is not applicable to the North Marin County Water District, which is paying its share of the capital cost of the project from the proceeds of the sale of general obligation bonds. Should North Marin County Water District, at some future date, make use of the storage facilities of the system, the charge attributable to storage would also be paid by North Marin County Water District.)

(3) Maintenance and Operation of the Water System—a uniform charge per acre foot.

(4) Coyote Valley Dam Bonds—being paid by an Agency-wide tax and an in lieu tax payment from North Marin County Water District.

Bond payments for the existing water transmission system are almost of equal annual amounts and with the level of sales steadily increasing, the cost of water to the Agency's customers has actually de-

Table 3

ESTIMATED COST PER ACRE FOOT PER AQUEDUCT SYSTEM FOR SELECTED YEARS

	1977-78	1979-80	1984-85	1989-90
COSTS COMMON TO ALL AQUEDUCTS				
Operation and Maintenance	\$ 29.50	\$ 29.50	\$ 29.50	\$ 29.50
Storage	9.53	14.95	17.32	18.18
Pumping	17.28	18.99	16.45	15.19
SANTA ROSA AQUEDUCT				
G. O. Bonds	11.46	10.32	8.10	6.33
The Intertie Project	32.90	38.05	29.08	22.27
Total Santa Rosa Aqueduct	\$100.67	\$111.81	\$100.35	\$ 91.47
PETALUMA AQUEDUCT (EXCLUDING NORTH MARIN^①)				
G. O. Bonds	12.59	10.68	6.06	4.94
The Intertie Project	67.50	70.23	39.84	31.46
Total Petaluma Aqueduct	\$136.40	\$144.35	\$109.07	\$ 99.27
SONOMA AQUEDUCT				
G. O. Bonds	25.47	23.21	19.00	16.01
The Intertie Project	44.10	50.84	39.83	30.62
Total Sonoma Aqueduct	\$125.88	\$137.49	\$122.00	\$109.50
FORESTVILLE AQUEDUCT				
G. O. Bonds	36.67	40.00	30.00	20.00
The Intertie Project	10.00	13.33	10.00	6.67
Total Forestville Aqueduct	\$102.98	\$116.77	\$103.17	\$ 89.54

^① North Marin County Water District is meeting its share of the capital costs of the present project through the sale of general obligation bonds. Accordingly no debt service costs on the 1971 Water Revenue Bonds will be charged to this District.

clined somewhat over the past few years. As a result, many of the Agency's customers have been able to maintain a relatively inexpensive water rate, even in the face of rapidly increasing costs. The City of Santa Rosa, for example, has not been required to raise its water rates since 1968. The sale of the 1971 Water Revenue Bonds, Series A and B, will require an increase in water rates, as projected in Table 2. As can be seen, even with the additional cost of debt service, it is estimated that these rates will remain quite reasonable when compared to water rates in other parts of the state and throughout the country.

Based on current cost estimates, the projected cost per acre foot of water to users on the various aqueduct systems, is as shown in Table 3 for selected years.

Projection of Total Water System Revenues, Expenditures and Coverage

Table 4 shows a ten-year projection of the economics of the proposed water system, based on the assumed sale of the Series A and B bonds. As shown in the calculation, the minimum annual coverage projected is 117%. With the exception of the Coyote Valley Dam general obligation bonds

(\$3,930,000), the balance of the District's general obligation bonds, aggregating \$7,031,000, are self-supporting from revenues paid by benefited water contractors. The inclusion of general obligation bond charge in the water rate plus North Marin County Water District's in lieu tax payment on the Coyote Valley Dam bonds, constitute the initial source of coverage. In the event of an insufficiency of funds, taxes would be levied to meet the general obligation bond expenditures during whatever period of time was necessary to correct the delinquency.

Once the general obligation bond debt service is significantly reduced as the result of bond repayment, the water contractors will pay an amount over and above the actual cost of maintaining and operating the system and revenue bond debt service equal to an amount sufficient to provide 115% coverage. As the Agency exists almost entirely as a wholesaler, it is doubtful that there will be any demand on the surplus funds. It is possible that they could be used in lieu of selling bonds, to finance further additions to the water system. If this is not the case, it is the intention of the Agency to refund the surplus to the contributing water contractors, after all revenue bond obligations have been met and the fiscal year is ended.

Table 4
Projected Revenue, Expenditures and Coverage (in \$1,000's)

Year Ending June 30	Estimated Water Sales Revenue	Expenditures			Net Revenue	Coverage of Net Revenue to Maximum Debt Service
		Maintenance and Operation	Estimated Revenue Bond Debt Service Series A & B ^①	Total		
1978	\$3,815	\$ 997	\$2,310	\$3,307	\$508	1.17%
1979	3,892	1,068	2,310	3,378	514	1.18
1980	3,958	1,136	2,310	3,446	512	1.18
1981	4,555	1,218	2,810	4,028	527	1.18
1982	4,635	1,301	2,800	4,101	534	1.18
1983	4,708	1,392	2,813	4,205	503	1.18
1984	4,787	1,496	2,798	4,294	493	1.17
1985	4,931	1,596	2,832	4,428	503	1.17
1986	5,031	1,682	2,834	4,516	515	1.18
1987	5,145	1,770	2,857	4,627	518	1.18

^① Assumes the sale of Series A & B bonds in a principal amount of \$33,000,000, with maximum debt service on the two issues of \$2,870,000 per year.

FINANCIAL DATA

The Sonoma County Water Agency and each of the participating water contracting jurisdictions utilize county services for the assessment of property and the collection of taxes. In the case of North Marin County Water District, this involves separate arrangements with Sonoma County and Marin County. All other participants are located entirely within Sonoma County.

Assessed Valuations

Assessed valuations are established by the Sonoma County Assessor and the Marin County Assessor, except for utility property, which is assessed by the state. According to the State Board of Equalization, assessed valuations in Sonoma County for

the 1974/75 tax year average 23.4 percent of full market value, while Marin County assessed valuations average 25.1 percent of full value. Utility property in both counties is assessed by the State Board of Equalization at 25 percent of full value.

The assessed valuations reflect two exemptions which do not result in any loss of property tax income to the Sonoma County Water Agency or other local taxing agencies. One of these exempts \$1,750 of the assessed valuation of an owner-occupied dwelling if the owner files for the exemption, and the other exempts 50 percent of the assessed valuation of business inventories. However, the statute establishing these exemptions provides that any tax revenues lost as a result are to be reimbursed by the state to the individual taxing agencies.

Summaries of the assessed valuations of the Sonoma County Water Agency and each of the water contracting agencies for the past five years appear below.

The table on the following page shows the component tax rolls of the 1974/75 assessed valuation for each participating jurisdiction.

SONOMA COUNTY WATER AGENCY AND CONTRACTING AGENCIES

Assessed Valuations, 1970/71—1974/75^①

	1970/71	1971/72	1972/73	1973/74	1974/75
Sonoma County:					
Sonoma County Water Agency .	\$527,119,725	\$554,852,787	\$624,229,341	\$702,286,206	\$818,201,172
City of Santa Rosa	134,783,520	141,645,547	159,975,775	184,549,231	212,351,074
City of Petaluma	45,026,778	56,360,637	62,427,925	68,773,057	77,662,885
City of Rohnert Park	8,686,676	9,705,301	12,326,500	18,301,236	27,331,682
City of Sonoma	12,261,838	12,195,946	13,265,433	14,962,165	17,804,349
City of Sonoma Annex Area . . .	528,000 ^②	528,687 ^②	507,471 ^②	537,311	595,731
City of Cotati	2,829,329	2,973,832	3,702,641	5,393,311	7,959,148
Valley of the Moon Water District	23,568,612	23,615,804	24,448,380	26,813,627	30,828,078
Forestville County Water District	1,801,166	1,881,269	2,141,933	2,558,979	3,216,735
North Marin County Water District	129,596	126,435	127,740	137,021	144,233
Marin County: ^②					
North Marin County Water District	87,581,945	100,017,577	108,042,502	116,005,537	144,819,227

^① Reimbursable exemptions included, except as noted in ^②.

^② Excludes West Marin area.

SONOMA COUNTY WATER AGENCY AND CONTRACTING AGENCIES

Components of 1974/75 Assessed Valuation^①

	Secured Roll	Utility Roll	Unsecured Roll	Net Assessed Valuation
Sonoma County:				
Sonoma County Water Agency	\$720,408,676	\$51,168,270	\$46,624,226	\$818,201,172
City of Santa Rosa	181,218,432	14,625,080	16,507,562	212,351,074
City of Petaluma	69,893,142	3,147,130	4,622,613	77,662,885
City of Rohnert Park	25,601,064	542,620	1,187,998	27,331,682
City of Sonoma	15,999,215	596,610	1,208,524	17,804,349
City of Sonoma Annex Area ^②	532,539	14,890	48,302	595,731
City of Cotati	7,308,788	378,910	271,450	7,959,148
Forestville County Water District	2,656,589	267,900	292,246	3,216,735
Valley of the Moon County Water District .	29,031,226	1,286,710	510,142	30,828,078
North Marin County Water District	104,673	6,250	33,310	144,233
Marin County:				
North Marin County Water District ^③	134,208,783	6,510,560	4,099,884	144,819,227

① Reimbursable exemptions included.

② Code Areas 6.011 and 6.012. The tax rate in this area excludes bond service as a condition of annexation.

③ Excludes West Marin area.

Tax Rates, Levies, and Delinquencies

Ad valorem taxes for the subject agencies are collected by the Sonoma County Tax Collector and the Marin County Tax Collector at the same time and on the same rolls as county, city, school district, and other special district taxes. Secured taxes are due on November 1 and March 1 and become delinquent December 10 and April 10. Taxes on unsecured property are due on March 1 and become delinquent in the following fiscal year on August 31.

The Sonoma County Water Agency general tax rate per \$100 assessed valuation for 1974/75 is 12 cents, a reduction of 3 cents from the 1973/74 general tax rate. In addition, the Sonoma County Water Agency imposes certain tax rates for special purposes in one or more of the component tax rate areas of Sonoma County involved in the present bond offering. These additional rates are as follows:

1955 Coyote Valley Dam Bonds (Land and Improvements only)	\$0.02
Spring Lake Park	0.05
Zone 1A Laguna-Mark West	0.24
Zone 2A Petaluma Basin	0.25
Zone 3A Valley of the Moon	0.15
Russian River Projects	0.01

The 1974/75 tax rates per \$100 assessed valuation for the participating water contracting agencies are shown below:

City of Santa Rosa	\$1.54
City of Petaluma	1.82
City of Rohnert Park	1.37
City of Sonoma*	1.51
City of Cotati	1.25
Forestville County Water District-Gen. ...	0.98
Forestville County Water District-Debt Red	0.49
Valley of the Moon County Water District.	0.28
North Marin County Water District	0.08

*City of Sonoma Annex Area Rate, \$1.47. City rate less 4 cents bond service.

The table on the following page shows prior year individual tax rates, secured tax levies, current collections, and the current rate of tax delinquency for each jurisdiction for the past five years. During this period, six of the participating jurisdictions experienced average annual current delinquency of less than three percent.

SONOMA COUNTY WATER AGENCY AND CONTRACTING AGENCIES

Tax Rates, Tax Levies, Collections, and Delinquencies

Tax Year	Tax Rate	Secured Tax Levy	Collected June 30	Delinquent June 30	Percent Delinquent
Sonoma County Water Agency					
1973/74	\$0.15	\$ 864,751	\$ 840,226	\$21,130	2.46%
1972/73 .....	.15	830,221	807,595	22,266	2.68
1971/72 .....	.13	638,053	619,796	18,258	2.86
1970/71 .....	.15	696,834	640,002	22,832	3.28
1969/70 .....	.14	590,952	571,703	19,250	3.26
City of Santa Rosa					
1973/74	1.54	2,260,143	2,215,254	31,160	1.39
1972/73	1.54	2,097,169	2,061,279	35,890	1.71
1971/72	1.54	2,057,060	2,027,263	29,797	1.45
1970/71	1.54	1,738,946	1,711,852	35,245	2.03
1969/70	1.54	1,580,016	1,548,666	31,350	1.98
City of Petaluma					
1973/74	1.87	985,701	975,219	8,854	0.90
1972/73	1.89	1,025,655	1,013,346	12,605	1.23
1971/72	1.80	882,298	870,441	11,856	1.34
1970/71	1.87	724,492	713,990	10,502	1.45
1969/70	1.65	579,585	567,220	12,684	2.19
City of Rohnert Park					
1973/74	1.57	234,526	225,178	9,376	4.00
1972/73	1.69	182,080	179,174	2,906	1.60
1971/72	1.69	144,398	138,148	6,192	4.29
1970/71	1.44	109,264	103,142	6,853	6.27
1969/70	1.44	101,745	92,426	9,398	9.24
City of Sonoma					
1973/74	1.51	174,224	172,651	1,573	0.90
1972/73	1.51	173,324	167,495	5,829	3.36
1971/72	1.51	167,417	163,321	4,095	2.45
1970/71	1.51	159,036	156,186	2,850	1.79
1969/70	1.56	125,882	123,959	2,146	1.70
City of Cotati					
1973/74	1.25	55,942	54,816	1,125	2.01
1972/73	1.25	41,802	40,159	1,562	3.74
1971/72	1.25	33,218	32,539	679	2.04
1970/71	1.25	31,440	30,623	817	2.60
1969/70	1.00	25,206	24,151	1,055	4.18
Forestville County Water District					
1973/74 .....	.98	18,289	17,794	495	2.71
1972/73 .....	.98	18,007	17,330	677	3.76
1971/72 .....	.90	14,539	13,967	571	3.93
1970/71 .....	.92	14,357	13,545	812	5.65
1969/70	1.00	15,200	14,644	556	3.65
Valley of the Moon County Water District					
1973/74 .....	.30	67,410	65,595	1,815	2.69
1972/73 .....	.31	70,153	68,609	1,544	2.20
North Marin County Water District					
1973/74 .....	.09	88,869	86,843	2,026	2.28
1972/73 .....	.10	99,165	95,477	3,688	3.72
1971/72 .....	.10	92,186	87,280	4,906	5.32
1970/71 .....	.12	96,536	92,683	3,853	3.99
1969/70 .....	.15	111,049	106,994	4,055	3.65

Effective July 1, 1972, the Valley of the Moon C.W.D. elected to be put on the property tax rolls of Sonoma County. Tax money received from the

County must be used only to liquidate the District's bond interest and principal liability. As of June 30, 1974, the amount so restricted was \$39,613.

Total tax rates for the largest tax code areas encompassed in this Official Statement are presented below. The four Sonoma County tax code areas listed have an aggregate 1974/75 assessed valuation exceeding \$193 million, while Tax Code Area

10-017 in Novato contains more than 43 percent of the total 1974/75 assessed valuation of the North Marin C.W.D. Total 1974/75 tax rates of the code areas listed range from \$11.430 per \$100 assessed valuation in Petaluma to \$11.879 in Novato.

TOTAL TAX RATES

For Selected Tax Code Areas in Sonoma and Marin Counties

Tax Code Area	1970/71	1971/72	1972/73	1973/74	1974/75
3-000 Petaluma (1974/75 A. V. \$36,267,764)					
County	\$ 3.360	\$ 3.850	\$ 3.490	\$ 3.350	\$ 3.020
City	1.870	1.800	1.890	1.870	1.820
Schools	6.860	6.420	6.970	5.910	6.100
Sonoma County W. A. ....	.400	.420	.450	.450	.430
Other Special Districts .....	.060	.090	.035	.033	.040
Total Rate, All Property	\$12.550	\$12.580	\$12.835	\$11.613	\$11.410
Coyote Dam Bonds (L&I) .....	.050	.040	.040	.030	.020
4-001 Santa Rosa (1974/75 A. V. \$32,341,259)					
County	\$ 3.360	\$ 3.850	\$ 3.490	\$ 3.350	\$ 3.020
City	1.540	1.540	1.540	1.540	1.540
Schools	6.960	7.400	7.560	7.360	6.630
Sonoma County W. A. ....	.400	.440	.440	.440	.420
Bay Area Pollution Control	—	.020	.020	.013	.020
Total Rate, All Property	\$12.260	\$13.250	\$13.050	\$12.703	\$11.630
Coyote Dam Bonds (L&I) .....	.050	.040	.040	.030	.020
4-002 Santa Rosa (1974/75 A. V. \$65,473,367)					
County	\$ 3.360	\$ 3.850	\$ 3.490	\$ 3.350	\$ 3.020
City	1.540	1.540	1.540	1.540	1.540
Schools	6.960	7.400	7.560	7.360	6.630
Sonoma County W. A. ....	.400	.440	.440	.440	.420
Bay Area Pollution Control	—	.020	.020	.013	.020
Total Rate, All Property	\$12.260	\$13.250	\$13.050	\$12.703	\$11.630
Coyote Dam Bonds (L&I) .....	.050	.040	.040	.030	.020
Resource Conservation (Land)	—	—	—	.010	.010
4-009 Santa Rosa (1974/75 A. V. \$59,107,638)					
County	\$ 3.360	\$ 3.850	\$ 3.490	\$ 3.350	\$ 3.020
City	1.540	1.540	1.540	1.540	1.540
Schools	7.080	7.340	7.510	6.720	6.690
Sonoma County W. A. ....	.400	.440	.440	.440	.420
Bay Area Pollution Control	—	.020	.020	.013	.020
Total Rate, All Property	\$12.380	\$13.190	\$13.000	\$12.063	\$11.690
Coyote Dam Bonds (L&I) .....	.050	.040	.040	.030	.020
Resource Conservation (Land)	—	—	—	.010	.010
10-017 Novato (1974/75 A. V. \$62,615,585)					
County	\$ 2.575	\$ 2.890	\$ 2.750	\$ 2.580	\$ 2.385
City .....	.990	.950	.950	.950	.950
Schools	6.587	6.830	7.010	6.198	6.236
Special Districts	1.723	1.393	1.557	1.665	2.228
Total Rate, All Property	\$11.875	\$12.063	\$12.267	\$11.393	\$11.799
North Marin Water—LI&PP .....	.120	.100	.100	.090	.080

Revenues and Expenditures

On pages 18-23 are summaries of revenues and expenditures for 1973/74 and prior years, based on financial statements and audit reports submitted by the Agency and the water contractors.

Direct and Overlapping Bonded Debt

The direct and overlapping bonded debt of the Agency, excluding the revenue bonds currently being offered for sale, is shown on Table 5 on page 24.

SONOMA COUNTY WATER AGENCY

Summary of Revenues and Expenditures

	1969/70	1970/71	1971/72	1972/73	1973/74
Operating Revenues					
Water sales	\$988,582	\$1,234,020	\$1,322,263	\$1,443,781	\$1,475,026
Water services	4,203	14,873	23,264	12,713	19,077
Total	\$992,785	\$1,248,893	\$1,345,527	\$1,456,494	\$1,494,103
Operating Expenditures					
Source of supply	\$ 12,698	\$ 11,910	\$ 7,350	\$ 12,607	\$ 10,106
Pumping	232,504	250,353	326,975	334,027	451,968
Water treatment	5,195	5,668	10,172	8,785	9,173
Transmission, distribution	53,810	85,880	41,635	64,071	75,835
Customer accounts	7,715	3,126	3,840	3,600	3,452
Administrative and general	30,762	24,956	40,912	41,731	35,168
Total	\$342,684	\$ 381,893	\$ 430,884	\$ 484,821	\$ 585,702
Non-Operating Revenues					
Taxes, assessments	\$126,367	\$ 227,908	\$ 248,494	\$ 282,843	\$ 251,959
Interest	128,680	109,234	99,839	119,205	232,503
Other	42,715	182,363	82,943	127,017	49,998
Total	\$297,762	\$ 519,505	\$ 431,276	\$ 529,065	\$ 534,460
Non-Operating Expenses					
Debt service	\$381,854	\$ 371,403	\$ 360,504	\$ 360,428	\$ 349,854
Other	1,537	1,557	385,477	1,719	7,298
Total	\$383,391	\$ 372,960	\$ 745,981	\$ 362,147	\$ 357,152
Capital Outlays	\$200,494	\$ 382,876	\$ 492,229	\$ 771,863	\$ 569,106

CITY OF SANTA ROSA**Water Utility Fund****Summary of Revenues and Expenditures**

	1969/70	1970/71	1971/72	1972/73	1973/74
Operating Revenue					
Water sales	\$1,319,693	\$1,432,212	\$1,545,519	\$1,505,024	\$1,647,427
Laterals, connection fees	201,909	216,585	307,403	301,735	295,111
Engineering, miscellaneous	3,028	707	2,450	2,106	2,890
Total	\$1,524,630	\$1,649,504	\$1,855,372	\$1,808,865	\$1,945,428
Operating Expenses					
Water purchases, payments	\$ 556,638	\$ 574,398	\$ *	\$ *	\$ *
Special services	49,693	42,886	50,661	52,589	64,653
High level pumps	19,760	27,838	48,682	63,979	44,138
Transmission, distribution	143,240	148,319	386,462	328,237	286,797
Meter maintenance	38,451	48,820	54,300	61,975	88,243
Commercial expense	66,052	83,952	83,701	96,337	83,648
General, miscellaneous	160,885	169,005	837,403	860,127	1,243,623
Total	\$1,034,719	\$1,095,218	\$1,461,209	\$1,463,244	\$1,811,152
Non-operating Revenue					
Interest	\$ 20,428	\$ 39,720	\$ 69,964	\$ 65,265	\$ 122,196
Other	23,391	3,659	2,415	44,389	17,285
Total	\$ 43,819	\$ 43,379	\$ 72,379	\$ 109,654	\$ 139,481
Non-operating Expense					
Bond interest	\$ 148,824	\$ 157,672	\$ 91,436	\$ 87,069	\$ 104,778
Other	—	2,344	—	7,956	21,768
Total	\$ 148,824	\$ 160,016	\$ 91,436	\$ 95,025	\$ 126,546

*Change in audit procedure includes this item as "General, Miscellaneous."

CITY OF PETALUMA**Water Department****Summary of Revenues and Expenditures**

	1970/71	1971/72	1972/73	1973/74
Operating Revenue				
Water sales	\$ 831,256	\$ 965,422	\$1,002,837	\$1,022,744
Other	31,369	19,953	15,643	20,348
Total	\$ 862,625	\$ 985,375	\$1,018,480	\$1,043,092
Operating Expense				
Source of supply	\$ 173,631	\$ 196,700	\$ 251,098	\$ 227,290
Pumping	17,713	22,378	23,641	22,273
Water treatment	11,862	12,189	14,307	13,905
Transmission, distribution	83,460	96,413	91,760	105,611
Customer accounts	55,170	57,471	62,727	58,351
Administration	104,367	115,401	134,469	149,049
Total	\$ 446,204	\$ 500,552	\$ 578,002	\$ 576,480
Non-Operating Revenue				
Interest	\$ 43,732	\$ 39,759	\$ 58,440	\$ 119,965
Total	\$ 43,732	\$ 39,759	\$ 58,440	\$ 119,965
Non-Operating Expenditures				
Revenue bond interest	\$ 100,690	\$ 98,352	\$ 95,838	\$ 93,110
Total	\$ 100,690	\$ 98,352	\$ 95,838	\$ 93,110

CITY OF SONOMA**Water Utility****Summary of Revenues and Expenditures**

	1971/72	1972/73	1973/74
Revenues			
Water sales	\$169,512	\$168,285	\$237,799
Other	31,672	16,655	25,139
Total	\$201,184	\$184,940	\$262,938
Expenditures			
Administrative and general	\$157,794	\$163,961	\$197,488
Bond service	—	—	23,097
Capital outlays	13,498	31,226	27,207
Total	\$171,292	\$195,187	\$247,792

VALLEY OF THE MOON COUNTY WATER DISTRICT**Summary of Revenues and Expenditures**

	1969/70	1970/71	1971/72	1972/73	1973/74
<hr/>					
Operating Revenue					
Water sales	\$327,961	\$332,174	\$355,141	\$360,129	\$418,935
Other	2,810	860	1,412	4,452	6,978
Total	\$330,771	\$333,034	\$356,553	\$364,581	\$425,913
<hr/>					
Operating Expenditures					
Source of supply	\$ 95,618	\$103,341	\$104,689	\$115,980	} \$208,511
Pumping	3,394	3,923	4,213	7,336	
Water treatment	1,185	1,358	1,610	2,401	
Transmission, distribution	27,655	25,834	23,598	55,204	
Administrative, general	80,579	83,766	106,029	136,266	148,586
Total	\$208,431	\$218,222	\$240,139	\$317,187	\$357,097
<hr/>					
Non-Operating Revenue					
Interest	\$ 15,142	\$ 15,853	\$ 18,840	\$ 13,125	\$ 14,523
Taxes	—	—	—	72,484	83,467
Other	660	20,656	98,843	—	—
Total	\$ 15,802	\$ 36,509	\$117,683	\$ 85,609	\$ 97,990
<hr/>					
Non-Operating Expenses					
Debt service	\$ 39,020	\$ 37,610	\$ 36,522	\$ 35,241	\$ 34,166
Other	—	—	1,536	14,577	4,629
Total	\$ 39,020	\$ 37,610	\$ 38,058	\$ 49,818	\$ 38,795
Capital Outlays	\$ 87,253	\$ 87,766	\$214,906	\$242,466	\$180,877

CITY OF ROHNERT PARK**Water System Revenues and Expenditures****Year Ended June 30, 1974**

Operating Revenues		
Services, charges		\$140,493
<hr/>		
Operating Expenditures		
Water supply	\$ 803	
Maintenance and operation	88,735	96,785
<hr/>		
Non-Operating Revenues		
Penalties and interest		5,432
<hr/>		
Non-Operating Expenses		
Capital improvements		53,123

FORESTVILLE COUNTY WATER DISTRICT
Summary of Revenues and Expenditures

	1969/70	1970/71	1971/72	1972/73	1973/74
Operating Revenues					
Water sales	\$34,994	\$36,372	\$39,000	\$48,427	\$53,656
Water services	5,575	4,108	4,509	8,884	6,310
Total	\$40,569	\$40,480	\$43,509	\$57,311	\$59,966
Operating Expenditures					
Source of supply	\$13,839	\$15,054	\$15,878	\$17,144	\$18,808
Transmission, distribution	9,906	11,408	11,720	14,512	28,600
Administration, general	15,383	17,505	19,533	21,327	27,660
Other	75	25	172	—	—
Total	\$39,203	\$43,992	\$47,303	\$52,983	\$75,068
Non-Operating Revenues					
Interest	\$ 782	\$ 577	\$ 612	\$ 1,337	\$ 2,394
Taxes, assessments	29,439	30,908	33,603	35,195	44,028
Other	12,310	3,635	16,208	5,551	148
Total	\$42,531	\$35,120	\$50,423	\$42,083	\$46,570
Non-Operating Expenses					
Debt service	\$13,900	\$13,775	\$13,700	\$13,475	\$13,225
Total	\$13,900	\$13,775	\$13,700	\$13,475	\$13,225
Capital Outlays	\$41,600	\$46,742	\$10,528	\$18,809	\$ 2,165

CITY OF COTATI
Water Fund
Summary of Revenues and Expenditures

	1971/72	1972/73	1973/74
Revenues			
Property taxes	\$ 2,872	\$ 2,162	\$ 2,575
Water sales	30,059	34,492	53,605
Other	24,266	61,256	5,260
Total	\$57,197	\$97,910	\$ 61,440
Expenditures			
Administrative and general	\$36,148	\$63,813	\$ 61,282
Debt service	9,332	1,435	1,346
Capital outlay	9,987	12,599	121,141
Total	\$55,467	\$77,847	\$ 74,769

NORTH MARIN COUNTY WATER DISTRICT
Summary of Revenues and Expenditures

	1969/70	1970/71	1971/72	1972/73	1973/74
Operating Revenues					
Water sales	\$785,416	\$804,362	\$ 909,576	\$915,461	\$ 993,712
Other	21,149	21,170	18,770	18,987	26,376
Total	\$806,565	\$825,532	\$ 928,346	\$934,448	\$1,020,088
Operating Expenditures					
Source of supply	\$241,521	\$220,822	\$ 239,566	\$263,074	\$ 256,803
Pumping	38,285	49,214	71,220	97,093	95,107
Water treatment	52,659	65,448	68,357	82,573	79,796
Transmission, distribution	112,057	106,955	118,927	155,402	174,574
Consumer accounting	34,752	43,704	49,495	57,131	73,190
General, administrative	77,348	67,823	70,130	97,526	109,001
Depreciation	—	15,994	162,393	143,768	152,508
Other	—	—	—	—	6,505
Total	\$556,622	\$569,960	\$ 775,088	\$896,567	\$ 947,484
Non-Operating Revenues					
Interest	\$ 72,930	\$ 70,797	\$ 48,505	\$ 29,813	\$ 159,482
Taxes, assessments	116,497	101,374	95,817	108,708	115,060
Other	15,056	22,386	318,900	97,455	181,135
Total	\$200,483	\$194,557	\$ 463,222	\$235,976	\$ 455,677
Non-Operating Expenses					
Bond service	\$134,750	\$128,437	\$ 122,662	\$117,637	\$ 252,613
Other	21,972	25,028	11,204	40,096	—
Total	\$156,722	\$153,465	\$ 133,866	\$157,733	\$ 252,613
Capital Outlays	\$181,929	\$932,093	\$1,159,210	\$796,937	\$ 893,418
Fund Balance, June 30, 1974					\$ 480,953

Table 5

SONOMA COUNTY WATER AGENCY

Direct and Overlapping Bonded Debt

Estimated Population (July 2, 1974)	237,800	
1974/75 Assessed Valuation	\$ 818,201,172	
Estimated Market Value	\$3,482,000,000	

	Percent Applicable	Debt 1/22/75
DIRECT AND OVERLAPPING BONDED DEBT:		
Sonoma County Water Agency	100%	\$10,961,000
High School and Unified School Districts	Various	22,274,835
School Districts	100	12,850,000
Cities	100	13,686,000
City and County 1915 Act Assessment Bonds	100	18,994,817
Other Special and Assessment Districts	100	5,413,267
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT ..		\$84,179,919
Less: Sonoma County Water Agency		8,402,000
Other self-supporting bonds		11,067,500
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT		\$64,710,419

	Ratio to		
	Assessed Value	Market Value	Per Capita
Assessed Valuation	—	—	\$3,441
Gross Direct Debt	1.340%	.315%	46
Net Direct Debt .....	.313%	.073%	11
Gross Direct and Overlapping Debt	10.288%	2.418%	354
Net Direct and Overlapping Debt	7.909%	1.858%	272

THE AGENCY

Description of the Area

The Sonoma County Water Agency operates over an area of more than one million acres in the northern coastal part of California. The participating water contracting agencies involved in the present offering serve the most heavily populated areas of Sonoma County and northern Marin County, which adjoins Sonoma County to the south. Both Sonoma County and Marin County have grown steadily in recent years, aided by proximity to the San Francisco-Oakland Metropolitan Area and the availability of land for industrial and commercial expansion.

Sonoma County

Sonoma County is the largest of the nine counties bordering on San Francisco Bay. Covering 1,608 square miles, its western boundary is a 62-mile Pacific shoreline north of Marin County. The county extends east to Napa and Lake counties and south to San Pablo Bay and Marin County. Elevations range from sea level to 4,344 feet at Mt. St. Helena. Principal topographical features are the Santa Rosa, Sonoma, and Russian River Valleys, which run generally from northwest to southeast. Sonoma County has the highest proportion of land in private ownership of any California county—more than 95 percent.

The first major European settlement in the county was Fort Ross, established by the Russians in 1812 as a supply base for their Alaskan fur trade. The last of the chain of Spanish missions was founded at Sonoma in 1823. The Bear Flag Revolt—which made California an independent republic for three years before it was claimed by the United States—took place in the city of Sonoma in 1846.

Sonoma County was incorporated February 18, 1850 as one of California's original 27 counties. There are eight incorporated cities in the county. Santa Rosa, the county seat, has more than 61,000 residents, over one-fourth of the county's total population. Santa Rosa is approximately 52 highway miles north of San Francisco. The entire county has been

designated the Santa Rosa Standard Metropolitan Statistical Area by the U. S. Department of Commerce.

Agriculture, manufacturing and government are the mainstays of the local economy. Ready accessibility to San Francisco-Oakland markets, a substantial local labor force and pleasant living conditions foster the continuing development of light manufacturing, particularly in electronics and optics. Sonoma County is generally regarded as the birthplace of the California wine industry, and local wineries are noted for the production of premium table wines. For many years the leading agricultural county of the San Francisco Bay Area, Sonoma County is becoming increasingly urban and suburban in character.

Population and Housing

As of July 1, 1974, the county's population was estimated at 237,800 by the State Department of Finance, a gain of 2.7 percent over the same date of 1973.

The summary below presents population counts for the county from recent U. S. Census tabulations. The most rapid growth has taken place in incorporated areas of the county. Over 51 percent of all county residents now live in incorporated areas, compared with 36 percent in 1950.

SONOMA COUNTY

U. S. Census of Population

	1950	1960	1970
Incorporated . . .	37,383	58,443	99,171
Unincorporated .	66,022	88,932	105,714
	103,405	147,375	204,885

The population of incorporated cities at January 1, 1974 was reported by the State Department of Finance as follows: Cloverdale, 3,370; Cotati, 2,830; Healdsburg, 5,900; Petaluma, 31,150; Rohnert Park, 11,600; Santa Rosa, 61,700; Sebastopol, 4,480; and Sonoma, 4,890.

The 1970 Census of Housing reported 78,060 housing units in the county, approximately two-thirds of which were owner-occupied. In the January-September 1974 period, building permits in the county for single-family dwellings averaged \$29,040, exclusive of land.

Personal Income

More than half the total personal income received by Sonoma County residents is in the form of salaries and wages. Property income constitutes about one-fifth. Transfer payments (including social security)

represent a little more than 16 percent of the total, compared with less than 15 percent in 1969.

The accompanying summary presents the components of personal income in Sonoma County for the four years ending in 1972.

SONOMA COUNTY

Personal Income (Thousands of Dollars)

Source	1969	1970	1971	1972
Wages and salaries	\$335,314	\$361,658	\$405,235	\$457,477
Other labor income	16,908	18,671	22,647	25,733
Proprietors' income	76,663	75,633	79,510	87,178
Property income	135,272	143,377	161,116	178,262
Transfer payments	97,591	118,236	135,140	146,134
Total	\$661,748	\$717,575	\$803,648	\$894,784

Source: State Department of Finance.

Employment

Trade, manufacturing, government and services currently constitute the largest categories of employment in the county. Manufacturing payrolls are expanding and are expected to continue doing so in the future. At present, nearly one of every six non-agricultural wage and salary workers is employed by a manufacturing firm. The stimulus for recent accelerated industrial activity was provided by two large national electronics firms—Hewlett-Packard Co. and Fairchild Semiconductor—which located plants in the county in recent years.

Government employment in the county is growing steadily, with approximately 500 new workers added annually. State and local employment accounts for about 95 percent of the government sector. State payrolls are dominated by Sonoma State Hospital and California State College, Sonoma.

Agriculture still plays an important economic role in the county, but the industry has gradually declined as a source of employment, largely as a result of automation and the dwindling number of small family-owned farm operations.

According to state labor bulletins, more than 91,400 Sonoma County residents were employed at September 1974, compared with 89,000 a year pre-

viously. The largest payroll additions from the previous September were in trade, manufacturing, government, and services. The accompanying summary shows employment trends in the county since 1966.

Industry

Sonoma County has nearly 400 manufacturing plants employing 8,000 workers. There are 17 principal industrial areas in the county, mostly zoned for light industry.

Recent factory payroll gains have been strong in electronics and optics with substantial improvement also in printing and publishing, apparel, plastic products and wood products. Food processing payrolls are growing slowly but steadily, and this pattern is expected to continue into the future.

In 1972, Hewlett-Packard Corporation purchased an existing plant in Santa Rosa, and in July 1973 obtained a building permit aggregating \$12 million for the construction of expanded facilities. This firm expects to employ 2,000 persons in the county by 1982.

Fairchild Semiconductor Corp. has located new assembly operations at Healdsburg, in the northern part of the county.

SONOMA COUNTY

Civilian Employment by Industry^①

(Annual Averages in Thousands)

Industry	1966	1968	1970	1972
Construction	2.4	2.2	2.4	3.5
Manufacturing	6.4	6.8	7.1	8.4
Nondurable goods	2.8	2.9	2.8	3.0
Durable goods	3.6	3.9	4.3	5.4
Food and kindred products	2.1	2.1	2.0	1.9
Other nondurable goods .....	.7	.8	.8	1.1
Lumber and wood products	1.9	2.2	2.1	2.8
Machinery, electrical equipment, and instruments .....	.8	.8	1.2	1.3
Other durable goods .....	.9	.9	1.0	1.3
Transportation and utilities	2.6	2.5	2.7	2.9
Transportation	1.1	1.1	1.1	1.2
Communication; electric, gas, and sanitary services	1.5	1.4	1.6	1.7
Trade	10.5	11.0	12.4	13.7
Wholesale	1.6	1.7	2.0	2.4
Retail	8.9	9.3	10.4	11.3
Finance, insurance, and real estate	3.3	2.9	3.2	3.6
Finance	1.1	1.1	1.2	1.5
Insurance and real estate	2.2	1.8	2.0	2.1
Services	6.8	7.9	9.1	10.6
Government	10.0	11.8	13.6	14.7
Federal .....	.6	.7	.7	.8
State and local	9.4	11.1	12.9	13.9
City .....	.8	.9	.9	1.1
County	1.5	1.7	2.1	2.5
Other State and local	7.1	8.5	9.9	10.3
Other nonagricultural employment ^②	10.3	10.5	10.8	10.8
Agriculture	5.9	5.2	5.2	4.5
	58.2	60.8	66.5	72.7

① Employment by place of work.

② Includes employers, own-account workers, unpaid family workers, and domestic servants.

Source: State Department of Employment Development.

Optical Coating Laboratory, Inc., a producer of thin film optical coatings, has operated manufacturing facilities in Sonoma County for some years, and presently employs more than 600 persons at its plant in Santa Rosa.

Long-term industrial growth rates in the county

are expected to be concentrated in electronics and instruments production. Typical of the type of industrial areas being developed in the county is Sonoma County Airport Industrial Park where the county has established facilities to accommodate light manufacturing, research, and general office use.

SONOMA COUNTY

Largest Employers 100 or More Employees

Employer	Product/Service	Employment
County of Sonoma	Government	2,600
Sonoma State Hospital	Mental care	1,950
Santa Rosa City Schools	Education	1,080
State Farm Insurance Co.	Regional office	800
Calif. State College	Education	750
Pacific Telephone Co.	Utility	750
Santa Rosa Memorial Hospital	Medical service	700
Optical Coating Laboratory, Inc.	Thin film optical coatings	620
City of Santa Rosa	Government	575
Hewlett-Packard Co.	Microwave instruments	550
Boise Cascade Corp.	Lumber products	300-400
Community Hospital	Hospital	395
Pacific Gas & Electric Co.	Utility	385
J. C. Penney Company	Department store	300
Sebastopol Cooperative Cannery	Apple products	100-700
Santa Rosa Junior College	Education	280
Santa Rosa Shoe Co., Inc.	Shoes and boots	275
The Emporium	Department store	275
Petaluma Co-operative Creamery	Dairy products	200-300
Masonite Corporation	Lumber products	200-300
Point St. George Fisheries	Packaged fish and seafoods	200-300
Sears Roebuck & Co.	Department store	250
Arthur B. Siri, Inc.	Contractor	250
Safeway Stores	Retail food	175-250
Press Democrat Publishing Co.	Newspaper publishing	240
Rietz Manufacturing Co.	Processing machinery	225
Ecodyne Corporation	Water cooling towers	200
K-Mart	Discount store	200
Hillcrest Hospital	Hospital	125
Standard Structures	Laminated beams	125
Mervyn's	Department store	125
United Vintners, Inc.	Wine, champagne, brandy	100-200
F. Korbel & Brothers	Wine, champagne	100-200
Sonoma Vineyards	Wine	100-200
O'Brien, Spotorno & Mitchell	Frozen foods	100-200
Louisiana Pacific Corp.	Lumber	100-200
Cal-Wood Door	Millwork	100-200
Cloverdale Plywood Co.	Plywood products	100-200
Santa Fe Engineering & Construction Company	Pre-cast concrete	100-200
Malm Fireplaces, Inc.	Fireplaces	100-200
C & D Batteries	Batteries	100-200
Golden Technology, Inc.	Computer circuit boards	100-200
MGM Brakes	Motor brakes and parts	100-200
Silveira & O'Connell	Apple products	100-200

Source: Sonoma County Economic Development Board.

Agriculture

The gross value of agricultural production in Sonoma County exceeded \$126 million in 1973, an all-time record and an increase of more than \$38.7 million over the previous year's farm output. Fruit and nut crops showed the largest gain with grapes being the most dominant in this group.

Market milk and grapes are the county's leading farm commodities. The ten leading crops, with 1973 production values, are shown below.

Market milk	\$34,882,000
Grapes	21,692,000
Market eggs	14,514,000
Cattle and calves	14,256,000
Apples	11,353,000

Prunes	5,136,000
Fryers and roasters	4,794,000
Nursery products	3,045,000
Hay (grain)	2,500,000
Chicks	2,036,000

Wine grapes are replacing many prune orchards throughout the county, in response to the growing national demand for higher quality table wines. Cultivation of wine grapes and the production of fine wines are well-established industries in Sonoma County.

A tabulation of major farm production categories since 1968 is shown below. Animal products and fruits and nuts clearly dominate the farm economy of Sonoma County.

SONOMA COUNTY

Gross Value of Agricultural Production

Commodity	1968	1970	1972	1973
Field Crops	\$ 3,219,850	\$ 3,165,900	\$ 3,367,400	\$ 4,099,450
Fruits and Nuts	21,805,120	15,594,300	25,385,800	39,427,500
Livestock and Poultry	13,648,100	15,075,494	15,809,000	26,921,000
Animal Products	38,464,000	42,132,000	41,862,400	52,846,000
Apiary	7,375	16,485	36,000	15,590
Nursery Products	794,700	1,201,300	1,360,000	3,045,000
Seed	182,000	200,000	42,230	154,000
Vegetables	116,662	76,200	100,000	160,000
Total	\$78,237,807	\$77,461,679	\$87,962,830	\$126,668,540

Source: County Department of Agriculture.

Construction Activity

In each of the past four years, the aggregate value of building permits issued by county and local building officials has exceeded \$100 million. This is more than double the annual rate prevailing in the mid-sixties. Residential structures, particularly single-family homes, comprise the bulk of permit valuation in Sonoma County. However, non-residential valuation increased sharply in 1973, and constituted more than one-third of total permit valuations for the year.

The marked yearly increases in county-wide building permit valuation since 1969 are shown in the tabulation on the following page. During the 1971-72 period, the number of dwelling units in permit applications was more than double the number recorded in 1968-69, with single-family construction increasing in about the same proportion, while units in multi-family structures expanded more than three times. In the first nine months of 1974, total permit valuation was slightly less than the same period of 1973, while residential valuation was ahead by more than \$10 million.

SONOMA COUNTY

Building Permit Valuations

	1969	1970	1971	1972	1973	1974 (9 Mos.)
Value (000):						
Residential	\$44,146	\$48,981	\$ 81,920	\$ 99,093	\$ 89,167	\$ 79,157
Nonresidential	20,339	23,896	20,161	25,942	45,182	25,753
Total	\$64,485	\$72,877	\$102,081	\$125,035	\$134,349	\$104,910
No. of Dwelling Units:						
Single-Family	1,572	1,716	2,877	3,264	2,563	1,998
Multi-Family	804	1,035	1,568	2,045	1,433	1,208
Total	2,376	2,751	4,445	5,309	3,996	3,206

Source: Security Pacific National Bank.

Commerce

Following is a tabulation of taxable transactions in the county by type of outlet for the calendar year 1973.

SONOMA COUNTY

Taxable Sales Transactions 1973*

Type of Outlet	No. of Outlets	Taxable Transactions (000)
Apparel stores	113	\$ 17,325
General merchandise	145	94,023
Specialty stores	336	26,568
Food and liquor stores	262	51,676
Eating and drinking places	534	45,284
Household furnishings, appliances	199	19,380
Farm and garden supplies	102	18,615
Building materials	125	50,816
Automotive stores and service..	510	156,148
Retail Stores	2,326	\$479,835
All other outlets	3,791	170,066
Total Outlets	6,117	\$649,901

* Food for home use, prescription drugs, and certain other items are not taxable. Gasoline for highway use became taxable July 1, 1972.

Source: State Board of Equalization.

Taxable sales transactions in Sonoma County now top \$600 million annually. Transactions reported by retail stores constitute a little less than three-fourths of this dollar volume. Below is a summary of the impressive yearly increases in taxable transactions throughout the county in recent years.

SONOMA COUNTY

Taxable Sales Transactions

1969	\$365,012,000
1970	385,310,000
1971	454,836,000
1972	545,983,000*
1973	649,901,000
1974 (6 mos.)	325,412,000

* Gasoline for highway use became taxable July 1, 1972.

Source: State Board of Equalization.

Banking

Twelve banks operate approximately 50 branch offices in Sonoma County. Among the statewide banks in the county are Bank of America (12 branches), Crocker National Bank (6), Security Pacific National Bank (2), and Wells Fargo Bank (5 offices). Eight savings and loan associations maintain offices in the county. Total bank debits to demand deposits for the first nine months of 1974 were in excess of \$6 billion, according to the Federal

Reserve Bank of San Francisco, an increase of more than 47 percent over the same period of 1973.

As of September 30, 1974, aggregate county-wide bank deposits amounted to \$206,813,000, compared with \$165,669,000 for the equivalent date a year earlier.

Transportation

U. S. Highway 101, a major artery serving the entire Pacific Coast, traverses the county and links the county's principal cities with San Francisco-Oakland. Coastal areas are served by California 1, which follows the Pacific shoreline. California Highways 12, 116 and 128 provide east-west traffic circulation in the county.

Northwestern Pacific Railroad, a subsidiary of Southern Pacific, provides freight service to the county. Ten motor carriers offer intrastate and interstate freight transportation. There are five motor freight terminals in the county.

Scheduled bus service is made available by Western Greyhound Lines and Golden Gate Transit, the latter running a commuter service to San Francisco.

Hughes Air West and STOL Air Commuter schedule passenger and air freight service at Sonoma County Airport in Santa Rosa. STOL is a San Francisco-based commuter air line. There are seven other airports for private planes in the county.

San Francisco International and Metropolitan Oakland International Airports are within one and one-half hour's driving time from the county and provide complete worldwide scheduled passenger and air freight service.

There is barge service on the Petaluma River to San Pablo Bay and San Francisco.

Utilities

Pacific Gas and Electric Co. provides electric power throughout Sonoma County. This supplier also serves natural gas to most areas of the county.

Telephone service is provided by Pacific Telephone Company in the greater part of the county. Certain communities along the north coast are served by the Western California Telephone Co. and the Redwood Empire Telephone Co.

Education

Public education through the secondary grades in Sonoma County is administered by 34 elementary school districts, 4 high school districts, and 3 unified (grades K-12) school districts. Enrollment as of October of each year is shown below, as reported by the County Office of Education.

Fifteen private and parochial schools throughout the county reported a total enrollment of 3,203 at October 1974. Five of these schools had an enrollment of more than 300 students: Rio Linda Academy at Healdsburg, St. Vincent De Paul Elementary School in Petaluma, Cardinal Newman Catholic High, St. Rose Elementary School, and Ursuline High School for girls, a Catholic institution in Santa Rosa.

Santa Rosa Junior College, a two-year community college in Santa Rosa supported by local taxes, offers lower division and vocational programs. Present enrollment of 15,680 is composed of 6,171 day students, 7,097 evening students, and 2,412 adults registered for non-credit courses.

California State College, Sonoma, was created by the Legislature in 1960 and now occupies a 200-acre campus near the City of Rohnert Park, about midway between Santa Rosa and Petaluma. Current

SONOMA COUNTY

Public School Enrollment

School Year	Elementary Grades	Intermediate Grades	High School	All Other*	Total Enrollment
1971/72	27,650	7,757	14,465	5,731	55,603
1972/73	27,833	8,242	14,796	5,534	56,405
1973/74	27,407	8,659	15,147	6,486	57,699
1974/75	26,894	8,837	15,243	8,400	59,374

* Includes Adult Education and Continuation High School.

enrollment of 5,413 is expected to expand to an eventual enrollment of approximately 12,000 students, as provided in the master plan. This institution offers 35 majors leading to the baccalaureate degree and 9 areas of concentration for the Master's degree. Instruction is administered through 4 schools: social sciences, natural sciences, humanities, and psychology and education.

Within convenient driving distance of the county are such degree institutions as the University of California at Berkeley, St. Mary's, the University of San Francisco, San Francisco State University, Santa Clara University, and Stanford University.

The University of California operates the Bodega Marine Laboratory, a research and teaching facility at Bodega Bay. The 326-acre biological refuge includes more than a mile of rocky shoreline. Funded by a grant from the National Science Foundation, the laboratory opened in 1966 with 25 research laboratories and equipment for work in biochemistry, ecology, botany, zoology and marine geology. By 1980, the laboratory is scheduled to be conducting year-round classes as well as research.

Recreation

Sonoma County is one of the most attractive vacation and tourist areas in the nation.

Highway 1, along the coast, passes six state beaches in the county. Also located in the western part of the county are Fort Ross State Historical Park and Kruse Rhododendron State Reserve.

In the Sonoma Valley are Jack London's home near Glen Ellen, now a state park, and San Francisco Solano Mission. The Luther Burbank Memorial Gardens at Santa Rosa are a prime visitor attraction.

Lake Sonoma, a large body of water to be formed upon completion of Warm Springs Dam in the northern part of the county, will provide opportunities for water sports and outdoor activities along an extensive shoreline. The dam is expected to be completed in the late 1970's. At the November 1974 general election, voters defeated a measure to halt construction of the dam.

City of Santa Rosa

Santa Rosa, county seat of Sonoma County, is the major merchandising, financial, medical, and educational center of an area encompassing over 7,000 square miles and a population of 300,000. The city

is about 52 miles north of San Francisco on U. S. Highway 101, the "Redwood Highway".

Santa Rosa was incorporated March 16, 1868 and functions as a chartered city under the Council-Manager form of government. The city covers more than 22 square miles.

The city almost tripled its population between 1950 and 1970, and has added over 11,000 people since the 1970 Census. Following are U. S. Census data and the most recent 1974 estimate by the State Department of Finance. The City Planning Department projects a population of 82,000 by 1980.

Year	Population
1950	17,902
1960	31,027
1970	50,006
1974	61,700

Employment and Industry

More than half the people employed in Sonoma County work in the Santa Rosa area. Wholesale and retail trade, service occupations, and government provide the most jobs. Vigorous efforts are being made to expand the industrial base of the community, and excellent progress is being made. Santa Rosa was the site chosen by Hewlett-Packard Co. for its electronic test equipment plant, which opened in temporary quarters in 1972. Permanent quarters are now under construction. The company now employs over 250, and anticipates a payroll of 2,000 by the early 1980's.

There are 114 manufacturing plants in the community area. Leading group classes of products are food products, electronics, instruments, and machinery.

The city has zoned 850 acres in the city limits for light and heavy industry. About 45 percent is vacant and available in parcels ranging in size from one-half to 25 acres. Typical sales prices during 1972 ranged from \$12,500 to \$45,000 per acre. The city has three industrial parks or districts. In the area outside the city limits but within the Santa Rosa planning area are 960 acres of industrial zoned land.

Commerce

About 24 percent of all households in Santa Rosa have cash incomes exceeding \$15,000, according to Sales Management. The median household cash income in 1973 was \$9,474.

Santa Rosa's attraction as a trading center is evidenced by the fact that about 38 percent of taxable retail transactions in the county for the first half of 1974 were reported by outlets located in Santa Rosa. Total taxable transactions for 1973 were in excess of \$250 million, with about 84 percent of all taxable transactions reported by retail outlets.

Financial services to the community are provided by 20 banks and 6 savings and loan associations.

Building Permits

During the four-year period 1970-73, city officials approved construction permits aggregating about

\$164 million. Of this dollar volume, nearly two-thirds covered residential structures. Dwelling units were about evenly divided between single-family and multi-family construction.

In the first nine months of 1974, total permit valuation in Santa Rosa was approximately \$39 million, which compares favorably with 1971-72 permit levels. A \$12 million permit for plant construction awarded to Hewlett-Packard Co. in early 1973 inflated non-residential permit valuation in that year.

The summary below shows total annual permit valuations since 1970.

CITY OF SANTA ROSA

Building Permit Valuation (Dollars in Thousands)

	1970	1971	1972	1973	1974 (9 Mos.)
Residential	\$17,942	\$27,146	\$31,658	\$31,140	\$29,900
Nonresidential	11,141	9,668	11,364	23,734	9,251
Total Valuation	\$29,083	\$36,814	\$43,022	\$54,874	\$39,151
No. of Units:					
Single-family	496	806	975	904	682
Multi-family	719	886	854	578	706
Total	1,215	1,692	1,829	1,482	1,388

Source: Security Pacific National Bank.

Education

Santa Rosa has one of the best school systems in the United States. Nine elementary school districts in the Santa Rosa area provide public education through the sixth grade, while Santa Rosa High School District administers education at the junior high and high school level. Total enrollment reported by these school districts is shown below.

Year	Grades K-6	Grades 7-12	Total
1971	11,609	10,225	21,834
1972	11,498	10,450	21,948
1973	11,218	11,202	22,420
1974	10,871	12,382	23,253

Located in the city are 23 elementary schools, five junior high schools, and four high schools. Elementary parochial schools, a girls' parochial high school and a boys' parochial high school reported a combined enrollment of 1,796 students at October 1974.

Santa Rosa Junior College, a two-year school supported by public taxes, was founded in 1918 and serves the north coast of California. Combined day and evening enrollment is 15,680.

Community Facilities and Recreation

Santa Rosa has four general hospitals with a total capacity of 529 beds. Largest is the Santa Rosa Memorial Hospital, owned and operated by the Sisters of St. Joseph. Medical specialists practicing in the community number 196 physicians/surgeons, 76 dentists and 7 optometrists.

The city has 75 churches, 3 libraries, 5 radio stations, 1 TV channel received direct, and a cable TV system. The daily Press Democrat and weekly News-Herald are published in the city. Santa Rosa has 17 parks, 9 playgrounds and 7 theaters. A symphony orchestra and community chorus perform regularly.

The Luther Burbank Rose Festival and parade are held in the city each May. The Sonoma County Fair is produced in July, featuring displays of agricultural products, livestock, floral and commercial exhibits, and twelve days of horse racing attracting some of the largest purses in the county fair circuit. The Scottish Gathering and Games on Labor Day weekend and the Oktoberfest a month later are colorful annual events.

CITY OF SANTA ROSA

Growth Indicators

Year	Water Connections	Gas Meters	Electric Meters
1960	11,806	20,389	23,150
1970	17,200	35,940	47,413
1971	18,032	38,588	50,544
1973	19,400	41,160	53,566

* 1962.

Source: Santa Rosa Chamber of Commerce.

City of Petaluma

The City of Petaluma is located in southern Sonoma County about 36 miles north of San Francisco. It is the center of one of the world's most productive dairy, poultry and egg ranching areas. The city also serves as a principal trade and shopping center for southern Sonoma and northern Marin counties. A growing number of manufacturing firms form a significant part of the city's economy. The city encompasses approximately 6½ square miles.

Municipal Government

The City of Petaluma is a chartered city originally incorporated in 1858. The present city charter was adopted in 1947. The city operates under the Council-Manager form of government.

Population

The city's population has shown a steady growth pattern, more than doubling since 1960. The most recent official estimate places the population at 31,150, as compared to 24,870 in the 1970 Census.

The growth pattern of the city is shown in the following tabulation of Federal Census data and official estimates by the State Department of Finance.

Year	Population
1950	10,315
1960	14,035
1970	24,870
1973	30,350
1974	31,150

Poultry and Dairy Production

Petaluma is the recognized center of poultry, egg and dairy production in Sonoma County, the leading agricultural county in the greater San Francisco Bay Area.

The Petaluma Livestock and Poultry Pathology Laboratory, located in the city, is of major importance to the many poultry and livestock producers in the area. Operated by the State Department of Agriculture's Division of Animal Industry, the laboratory aids practicing veterinarians and poultry and livestock growers in the diagnosis and prevention of infectious and contagious disease of livestock and poultry.

Industry and Employment

While more closely associated with agriculture, Petaluma is a substantial manufacturing center. According to the Petaluma Chamber of Commerce, the city has world's largest chick hatchery, largest manufacturer of fishing lines, the largest cooperative creamery in the United States, the biggest pilecasting yards in the United States, the largest egg candling plant in the world, and the largest concentration of the mixed feed and grain industry in the western states.

A community labor market survey of Petaluma and surrounding areas conducted by the California Employment Development Department in July 1970 reported 9,900 persons at work in the area, of whom 3,100 were in wholesale and retail trade, 1,800 in services, and 1,700 in government.

The U. S. Coast Guard Training Center at Two Rock Ranch, about nine miles west of the city, contributes to the local economy. This facility is the only one of its kind on the West Coast. Approximately 600 permanent employees, including more than 80 civilians, draw an annual payroll of \$3 million. Most of the families of the married personnel at Two Rock Ranch reside in Petaluma.

Commerce

Petaluma is the retail and wholesale trading center for southern Sonoma and northern Marin counties. Total taxable sales in Petaluma for 1973 were reported by the State Board of Equalization as \$76,660,000, compared with \$63,802,000 the previous year. Taxable sales for the first half of 1974

were over \$38 million with retail sales accounting for 83 percent.

Building Activity

The city issued building permits valued at more than \$49 million during the 1970-72 period. Most of this permit valuation covered residential construction. Non-residential valuation has increased significantly, as shown in the accompanying tabulation. In 1973, residential construction was affected by a community effort to limit the rapid pace of home construction, which, it was felt, was placing a burden on city services. In the January-September 1974 period, residential permit valuation totaled \$7,860,000, considerably more than the total for the full year 1973.

CITY OF PETALUMA

Building Permit Valuation

Year	1970	1971	1972	1973
Residential	\$12,377,000	\$17,852,000	\$10,563,000	\$2,600,000
Non-residential	1,862,000	2,480,000	4,098,000	4,429,000
TOTAL	\$14,239,000	\$20,332,000	\$14,661,000	\$7,029,000
No. of Housing Units:				
Single-family	629	780	206	59
Multi-family	14	100	289	11
TOTAL UNITS	643	880	495	70

Banking

Petaluma is served by offices of the Bank of America (2 branches), Bank of Marin (2), Crocker National Bank, Exchange Bank, Sierra National Bank, and Wells Fargo Bank. In addition to these commercial banks, the Golden West Savings and Loan, Imperial Savings and Loan, Northbay Federal Savings and Loan, and Northern California Savings and Loan Association are located in the city.

Transportation

U. S. Highway 101 traverses the city. Petaluma is served by the Northwestern Pacific Railroad Company and the Petaluma and Santa Rosa Railroad. Greyhound and Golden Gate Transit System provide fast intercity and interstate bus service. Seven

trucking companies serve the area. Air services for private aircraft are based at the Sky Ranch in Petaluma.

Community Facilities and Recreation

Petaluma has two general hospitals with a bed capacity of 90 and three convalescent homes with a bed capacity of 274. Medical needs are served by 31 physicians, 26 dentists, two podiatrists, five chiropractors, three optometrists and three physical therapists. Thirty churches of a wide variety of faiths are within the city.

The city has one radio station and a daily newspaper, the Argus-Courier, which has been published continually since 1855. The city operates a public library.

Petaluma is the site of the Sonoma-Marín Fair which is held annually during July. Annual attendance at the Fair exceeds 60,000 during a four-day period. The fairgrounds area includes 25 buildings situated on 61 acres.

The city has a modern municipal recreation building, 14 baseball diamonds and 13 tennis courts. Other facilities include four theatres, nine parks, five playgrounds, an Olympic size swimming pool and two other supervised swimming pools.

Education

Petaluma is in the Petaluma School District and the Petaluma High School District. Although legally separate, school administration is consolidated in one school board and one superintendent.

Seven elementary schools, three junior high schools, and three high schools comprise the education facilities serving the city. All of the schools have been constructed since 1950.

In addition to the public school facilities, St. Vincent de Paul parochial school provides educational services at the elementary and high school levels.

Enrollment statistics in the Petaluma Elementary and High School District schools are shown below:

Year	Elementary	Senior High*
1971	3,193	8,412
1972	3,041	9,022
1973	2,809	9,575
1974	2,709	10,384

* The high school enrolls students from twelve neighboring elementary districts in addition to the Petaluma School District.

City of Rohnert Park

Rohnert Park, the county's third largest city, is located south of Santa Rosa at the junction of U.S. Highway 101 and State Highway 116. The city now has more than 11,000 inhabitants and continues to grow rapidly.

Rohnert Park was incorporated in 1962 as a general law city and utilizes the Council-Manager system. The city's boundaries encompass the last remaining flat terrain in Sonoma County, much of it unoccupied. The General Plan for the city, adopted in 1969, provides for industrial, commercial, and residential growth.

The 1970 U. S. Census reported 6,133 residents in the city. Almost four years later—at January 1, 1974—the population was 11,600, according to an estimate by the State Department of Finance, for a growth rate of 89 percent during this period.

Rohnert Park adjoins the City of Cotati, smallest incorporated city in the county. The two cities share many economic and social characteristics, including the youngest population in the county. The Sonoma County Planning Commission has completed a plan for the Rohnert Park-Cotati area which proposes an increase in commercial zoning in the vicinity and additional schools. Most employed persons in both cities commute to jobs elsewhere.

A grant from the Economic Development Administration assured completion of a freeway interchange at Rohnert Park, and a federal grant has been used to construct a new city hall.

Taxable sales transactions in the city for 1973 amounted to \$12,459,000, compared with \$9,346,000 the previous year. In the first half of 1974, taxable transactions were approximately \$7.5 million, as reported by the State Board of Equalization. A large shopping, financial and industrial center is being built in the area of the freeway off-ramp. Completion of the highway and business complex is expected to greatly expand employment opportunities in the area.

Construction activity in the city for recent years has been at a comparatively high level. For the first nine months of 1974, the total value of building permits was \$8,662,000, compared with an annual average of less than \$2,300,000 for the 1968-70 period. Construction permit valuation accelerated sharply in 1971, and exceeded \$12 million in 1972. About 82 percent of recent permit valuation has been for residential construction.

Many persons commute daily to jobs in the San Francisco-Oakland urban complex and in Santa Rosa. Largest local employers are Cal-Wood Door Co., a producer of prefabricated doors, and Wright and Oretsky, a construction firm. Each company employs about 150 persons.

The Rohnert Park Industrial Center was established in 1956. It covers 160 acres, and presently houses 21 firms engaged in light manufacturing, R & D, distribution and commercial activities. The Center is served by the Northwestern Pacific R.R.

The Rohnert Park-Cotati Clarion and the Rohnert Park News provide local news coverage. The Sonoma County Library system has a branch library in Rohnert Park.

The city has 2 community buildings, 2 municipal swimming pools, and an 18-hole municipal golf course.

Financial services for the community are provided by Bank of America, the Exchange Bank (2 offices), and the Rohnert Park Savings and Loan Association.

Public education in Rohnert Park is administered by the Cotati and Bellevue Elementary School Districts and the Petaluma and Santa Rosa High School Districts. Two elementary schools, 1 junior high school, and 1 high school are situated in the city.

California State College, Sonoma, immediately east of Rohnert Park, was founded in 1960. It has an enrollment of more than 5,000 full-time students and an equal number of special program students.

City of Sonoma

The City of Sonoma is located at the southern end of the Sonoma Valley, in the southeastern sector of the county. The area was first settled in 1823 by Padre Altmira, a Franciscan monk. In 1834 the Mexican government confiscated the lands of the mission, dispatching General Vallejo to organize a secular administration.

General Vallejo established a town patterned after many earlier settlements in California and Mexico with a central plaza located adjacent to the mission. On June 14, 1846, this plaza was the site of the Bear Flag Revolt and the first raising of the California State flag.

Much of the early town pattern is still in evidence today, with commercial activity surrounding the City Hall located in the central plaza. The city is bordered by small farms and rural homes with orchards and vineyards characterizing the landscape.

The Sonoma Valley is considered the birthplace of the California wine industry. Among the best known labels in the area are Buena Vista and Samuele Sebastiani, whose wineries are located in the city. Each autumn, the City of Sonoma is the scene of the Vintage Wine Festival. Recalling Old World traditions, the community stages a two-day pageant of parades, folk dancing, and wine tasting, that attracts visitors from throughout California.

Sonoma, a general law city, was incorporated in 1883, and utilizes the Council-Manager form of government. The population as of January 1, 1974 was an estimated 4,890, according to the State Department of Finance. The 1970 census figure was 4,112, an increase of 36 percent over the 1960 re-

port. Retired persons constitute a large share of the population. The median age is 45.3 years, compared with 37 years in the Sonoma Valley and 29.7 years countywide.

Employment in the Sonoma area is concentrated in institutional and hospital care, agriculture, tourism, and small industry. Many residents commute to nearby cities. The Sonoma State Hospital, about five miles north of the city, employs nearly 2,000 persons.

There are many interesting shops and restaurants around the plaza in the center of the city. This is reflected in the relatively high taxable sales per capita—\$3,840—compared with a county-wide figure of \$2,858. Total taxable transactions for the city in 1973 were more than \$16 million, and approximated \$9.9 million in the first half of 1974.

The value of building permits issued by the city in the first three quarters of 1974 totaled \$2,075,000, compared with an annual total of \$2,339,000 in 1972 and \$4,134,000 in 1973.

Public elementary and secondary education in Sonoma is provided by the Sonoma Valley Unified School District, which operates five elementary schools, an intermediate school, and a high school. There is a Catholic grammar school in the city, as well.

The Sonoma Valley Unified School District (grades K-12) reports Fall enrollment as follows:

1971	.....	3,950	1973	.....	3,882
1972	.....	3,986	1974	.....	4,203

The City of Sonoma is traversed by State Highways 12, 116 and 121, all three of which have been designated for future improvement to freeway status. Regularly scheduled Greyhound bus service is available in the city. The Northwestern Pacific Railroad provides freight service to Sonoma connecting with the Southern Pacific at Schellville. Four regularly scheduled truck lines also provide freight service. There are two landing strips for small planes near the city.

The Sonoma Valley Hospital, located in the city, is a fully accredited publicly-owned hospital with a 51-bed capacity. Medical needs of the community are met by 19 physicians and surgeons and 10 dentists.

Banking services in Sonoma are provided by Bank of America, Crocker National Bank, and Wells

Fargo Bank. Other financial institutions are Great Western Savings and Loan, and Senator Savings and Loan Association.

The weekly Sonoma Index Tribune, published locally, was founded in 1879. Additional local news coverage is provided by the Santa Rosa Press Democrat and the Metropolitan San Francisco newspapers.

Sonoma is a center of tourist attractions that include Sonoma State Historic Park, Sonoma Mission, Sonoma Barracks, Casa Grande, the Vallejo Home, and Bear Flag Monument. A few miles north of the city is the Valley of the Moon, internationally recognized as the home of Jack London. A short distance south is Sears Point Raceway, a well-known auto course.

City of Cotati

Cotati is the smallest incorporated area in Sonoma County and adjoins Rohnert Park south of that city. The two cities are frequently combined in discussions of the local economy.

Cotati was incorporated July 16, 1963 and operates as a general law city under the Council-Manager system. The city's population was 1,368 at the April 1970 federal census, and increased to 2,830 by January 1, 1974, according to the State Department of Finance.

There are a number of small manufacturing plants in the city, but most residents of Cotati commute to jobs in Santa Rosa, Marin County, or San Francisco-Oakland.

The annual rate of taxable sales transactions in Cotati now exceeds \$10 million, compared with an annual rate of approximately \$3 million in the 1968-71 period, based on reports of the State Board of Equalization.

The value of building permits rose sharply in 1972, totaling more than \$6.7 million, compared with an annual average of \$219,000 for the three-year period ending in 1970. During the year permits were granted for 222 single-family homes and 100 multi-family units. In 1973, permit valuation totaled \$3,452,000. Approximately one-third of this amount consisted of new commercial valuation.

The city is served by the Cotati School District and the Petaluma High School District. The Cotati School District, which also serves a portion of Rohnert Park, reported enrollment of 2,080 in the 1974/75 school year, compared with 2,020 in the fall of 1973.

Crocker National Bank and the Exchange Bank maintain branch offices in the city. The Rohnert Park-Cotati branch of the Sonoma County Library system is located in adjacent Rohnert Park.

The Cotati Raceway attracts thousands of sport and stock car racing enthusiasts to summer week-end events.

North Marin County Water District

North Marin County Water District covers an area of approximately 100 square miles in northern Marin County, west Marin, and a portion of Sonoma County. The City of Novato, center of population and commercial activity, is located in Marin County 28 miles north of San Francisco on U. S. Highway 101. Marin County consistently ranks among the top California counties in per capita personal income.

Novato, incorporated in 1960 as a general law city, has almost doubled its population since that year. Shown below are data from the decennial census and an estimate for January 1, 1974 prepared by the State Department of Finance:

Year	Population
1960	17,881
1970	31,006
1974	33,400

Largest employers in the Novato area are Novato Unified School District and McGraw-Hill Book Co., which employs 150 at a West Coast distribution facility in the city. Large industrial employers in southern Marin include Fairchild Semiconductor, with 400 employees; H. Koch & Sons, a luggage manufacturer employing 210 workers; the Independent-Journal daily newspaper, with a payroll of 185; and E. D. Bullard Co., a producer of industrial safety equipment, employing 175. Among non-manufacturing employers, the County of Marin, Pacific Telephone, San Quentin Prison, and Pacific Gas & Electric Co. all employ more than 500 persons. Many District residents commute to jobs in the San Francisco-Oakland Metropolitan Area.

Construction activity in the Novato area has been very strong in recent years. The City of Novato ap-

proved building permits valued at more than \$23 million in 1973, an increase of 11.3 percent over the total for 1972. Non-residential construction continued strong in 1974, while residential permit valuation declined. In the January-September 1974 period, permits were issued by the city for 301 single-family dwellings and 28 multi-units. The average permit value for single dwellings was \$30,967, exclusive of land.

Taxable transactions in Novato are showing impressive gains. The State Board of Equalization reports the following annual levels of taxable sales activity.

1970	\$30,464,000
1971	33,885,000
1972	41,766,000
1973	52,112,000

The Novato Unified School District operates 11 elementary schools, 3 junior high schools, and 3 high schools. Average daily attendance is shown below, as reported to the State Controller:

1969	11,792
1970	11,862
1971	11,861
1972	11,738
1973	11,530

College of Marin, a two-year institution with its main campus at Kentfield, Marin County, is now constructing Indian Valley Colleges at Novato, with occupancy scheduled for mid-1975. This \$10 million complex will incorporate the cluster college concept in two colleges. Classes are now being held in rented quarters on Ignacio Boulevard. Dominican College, a degree institution, is located 16 miles south of Novato at San Rafael. Within 35 miles of Novato are the University of California at Berkeley, San Francisco State University, and Sonoma State College.

Novato General Hospital has 52 beds, and there are two convalescent hospitals in the community with a combined capacity of 267 beds. A branch of the Marin County Library is located in the city. The weekly Novato Advance, the daily San Rafael Independent-Journal and Bay Area metropolitan news-

papers are circulated in the area. Greyhound Bus Lines maintains a terminal in Novato.

Financial services in Novato are provided by Bank of Marin, Crocker National Bank, Sierra National Bank, Wells Fargo Bank, Eureka Federal Savings and Loan, Great Western Savings, Home Savings, and Northern California Savings and Loan Association.

Pacific Gas & Electric Co. supplies electricity and natural gas to the area. Telephone service in southern Marin County is provided by Pacific Telephone Co., while Western California Telephone Co. serves most of Novato and Hamilton Air Force Base. The latter now houses Air Force Reserve activities and Armed Forces housing for Army and Navy personnel.

Valley of the Moon County Water District

The Valley of the Moon County Water District is situated in the Sonoma Valley, covering an area generally west and north of the City of Sonoma to a point south of the community of Kenwood. There are no incorporated cities in the District. The largest communities, with 1970 census figures, are Boyes Hot Springs (3,558), and El Verano (1,753). About 13,000 persons reside in the District.

Cultivation of wine grapes and the production of fine table wines provide support for the local economy. The Sonoma State Hospital at Eldridge is a large employer. Many local residents commute to jobs elsewhere, a development which is gaining intensity as the population increases.

Jack London State Historical Park, near Glen Ellen, and Hanna Boys Center, north of El Verano, are widely-known District institutions. The Sonoma National Golf Course at El Verano is the scene of championship matches. Jack London Village on State Highway 12 has a restored colonial grist mill and early winery.

Sierra National Bank operates a branch office at Boyes Hot Springs. There is a branch of the Santa Rosa-Sonoma County Public Library in this community as well.

In the District are three elementary schools, a junior high school, and a high school, operated by the Sonoma Valley Unified School District. This

school district, which also serves the City of Sonoma, reported enrollment of 4,203 in October 1974, an increase of 321 students over the total reported for the previous year.

Forestville County Water District

The District serves a population of approximately 1,500 in and near Forestville, in the central part of Sonoma County. The unincorporated community of Forestville has a population of about 700, and is located northwest of Santa Rosa on State Highway 116.

The area is mainly agricultural, with apples and grapes the principal product. Apple orchards are gradually giving way to the cultivation of wine grapes.

The largest industrial employer in Forestville is Electro Vector Inc., a producer of electronic trans-

formers and power supplies, employing about 100 workers.

Bank of Sonoma County maintains a branch office at Forestville. The Santa Rosa-Sonoma County Public Library system operates a branch facility in Forestville.

Located in Forestville are an elementary school, operated by the Forestville Union School District, and a high school, administered by the Analy Union High School District. These school districts report fall enrollment as shown below for recent years:

	Forestville Union S. D. Grades K-8	Analy Union H. S. D. Grades 9-12
1971	559	2,367
1972	565	2,433
1973	596	2,483
1974	673	2,496

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